



2025:DHC:4364-DB



* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

Reserved on: 25.02.2025
Pronounced on: 26.05.2025

+ FAO (COMM) 69/2024, CM APPL. 23568/2024 and CM APPL. 23569/2024

KRB ENTERPRISES & ORS.

.....Appellants

Through: Mr. Rajshekhar Rao, Sr. Adv.
with Mr. Sumit K. Batra, Mr.
Manish Khurana, Mr. Ajay
Sabharwal and Ms. Priyanka
Jindal, Advs.

versus

M/S. KRBL LIMITED

.....Respondent

Through: Mr. Jayant Mehta, Sr. Adv.
with Mr. Aniruddha Bakhru,
Mr. Shravan Kumar Bansal,
Mr. Rishi Bansal, Ms.
Kanupriya Sabharwal, Ms.
Ayushi Arora and Mr. Ranjit
Sinha, Advs.

CORAM:

HON'BLE MR. JUSTICE NAVIN CHAWLA

HON'BLE MS. JUSTICE SHALINDER KAUR

J U D G M E N T

1. The present Appeal has been filed under Section 13 (1A) of the Commercial Courts Act, 2015 (in short, 'CC Act'), challenging the Order dated 21.02.2024 ('Impugned Order') passed by the Court of the learned District Judge (Commercial Courts) (Digital-4), South District, Saket Courts, Delhi in CS(COMM) No.430/2022, titled *M/s KRBL Limited v. KRB Enterprises & Ors.*, whereby the learned





District Judge has been pleased to pass an *ad-interim* order of injunction against the appellants in terms of paragraph 4(a) of the application filed by the Respondent herein under Order XXXIX Rule 1 & 2 of the Code of Civil Procedure, 1908 (in short, 'CPC').

FACTUAL BACKGROUND

2. The Appellant No.1/M/s KRB Enterprises is a partnership firm of Mr. Basant Kumar Jindal, Mr. Krishan Jindal, and Mr. Sanjay Jindal. The Appellant No.2/M/s KRB Rice Mills Private Limited is a company registered under the provisions of the Companies Act, 2013. The Appellant No.3 is Mr. Rajesh Kumar Jindal, the proprietor of M/s. Jindal Traders. The Appellants herein are engaged *inter alia* in the business of manufacturing, trading, and marketing goods such as rice, coffee, sugar etc., which forms part of Class 30 for the purpose of trademark registration under the Trade Marks Act, 1999 (hereinafter referred to as 'the Act').

3. The present Appeal revolves around an alleged infringement of the trademark of the Respondent '*KRBL LIMITED ALONG WITH DEVICE PADDY FORMING THE SHAPE OF DIAMOND*'

 (hereinafter referred to as the 'Respondent's Mark'), on account of usage of allegedly deceptively similar mark

'KRB'  (hereinafter referred to as the 'Appellant's Mark/ Impugned Mark') by the Appellant.

Case of the Respondent:

4. The respondent has filed the above Suit claiming therein that it is engaged in the business of manufacturing, processing, marketing,



selling and exporting of food products such as rice, quinoa, chia seeds, flax seeds, etc. It was incorporated as M/s Khushi Ram Bihari Lal Ltd. in the year 1993 and later, in the year 2000 its name was changed to KRBL Ltd. The respondent claimed that it has been using the trade name KRBL Ltd. and the Respondent's Mark since the year 2000.

5. The respondent, in the Suit, claims that the word 'KRBL' and devise of paddy are both essential features of the Respondent's Mark. It claimed that the said trademark is also registered under the Act *vide* registration nos.1352767 and 3664458.

6. The Respondent claimed that the artistic feature involved in its trademark is an original artistic work under the Indian Copyright Act, 1957, and has been registered bearing No. A-68191/2005.

7. The Respondent further claimed in the Suit that 'KRBL' also forms essential part of its other group companies namely KRBL Food Ltd., KRBL Foundation, KRBL Infrastructure Ltd., and KRBL Food Ltd.

8. It is claimed by the Respondent that the said trademark is also displayed prominently on its website, namely www.krblice.com, and forms dominant part of its domain name. It is claimed by the Respondent that since the year 2000, it has been continuously and openly using the said trademark as a proprietor thereof in relation to its above-mentioned goods, businesses, and services, and has built a valuable goodwill and reputation therein.

9. The Respondent gave the following figures of its sale qua the



Respondent's Mark in the Plaint:

Year	Revenue from Operations (in Lacs)
2000-2001	25,892
2001-2002	40,217
2002-2003	58,948
2003-2004	47,539
2004-2005	50,274
2006-2007	72,476
2007-2008	99,653
2008-2009	1,24,546
2009-2010	1,57,901
2010-2011	1,55,127
2011-2012	1,63,135
2012-2013	2,08,034
2013-2014	2,79,131
2014-2015	3,11,301
2015-2016	3,35,885
2016-2017	3,14,787
2017-2018	3,4,644
2018-2019	4,11,957
2019-2020	4,49,864
2020-2021	3,99,188

10. The Respondent further claimed that it came across the Appellant's Mark *via* the applications filed by the Appellants for registration of trademark-KRB under No.2492500 and 2492501 in the year 2016, and filed its notices of oppositions. The Respondent claims that in the Market Inquiry, however, no goods and/or service of the Appellant No.1 was found under the said trademark/label. It was only in the last week of May 2022 that it came across the sale of rice under the Impugned Trademark/label on various online marketplaces. The respondent thereafter made a public search on the website of the Trademark Registry and found that the Appellant No.3 has applied for registration of the Appellant's trademark under



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No.4438483 in relation to rice, wheat, and flour on 12.02.2020, claiming to be a user since 01.01.2017. The same had been objected to by the Registrar itself in the examination report.

11. The Respondent further claimed that from the Master-Data available on the website of Ministry of Corporate Affairs, it came to know that the Appellant No.2 company has been incorporated on 21.07.2021, and the partners of Appellant No.1 are the directors of the Appellant No.2. On inquiry in the market, it came to know that the appellants are supplying rice under the Impugned trademark/label.

12. The Respondent filed the above Suit claiming that the appellants are infringing its trademark/trade name and its copyright. The Respondent further claimed that the Appellants are passing off their goods as that of the Respondent, thereby, diluting the Respondent's trademark/tradename, and indulging in unfair competition resultantly causing irreparable loss, injury, damage and prejudice to the Respondent.

Case of the appellants:

13. The Appellants filed their written statement in the above Suit claiming therein that they are dealing in various goods like rice, coffee, tea, etc. It was claimed that the Appellant Nos.1 and 2 adopted the Trademark KRB ENTERPRISES in relation to the said goods and business in the year 2009 and have been continuously and openly using the same without any hindrance or objection.

14. It was claimed that the Trademark KRB ENTERPRISES is an inherent mark as the said initials of the mark KRB is of utmost



significance to the Appellants as initial 'K' has been taken from the name of the grandfather of Mr. Basant Kumar Jindal namely late Mr. Kapoor Chand, while initial 'R' is from his father's name, that is, Mr. Ram Narayan Jindal, and initial 'B' is from his own name.

15. The Appellants claimed that the trademark has been honestly and *bonafidely* adopted by them, and they are the rightful proprietor of the same due to their prior adoption of the mark. The Appellants claimed that they have also applied for registration of the said mark also in the label form, and the said applications are pending before the Trademark Registry. The appellants gave the following sale figures in their written statement:

FINANCIAL YEAR	ANNUAL SALES FIGURES (IN RUPEES)
2012-2013	1,74,00,009
2013-2014	19,37,34,353
2014-2015	30,41,57,141
2015-2016	38,69,75,618
2016-2017	54,09,41,741
2017-2018	78,39,46,090
2018-2019	78,55,56,254
2019-2020	78,23,67,567
2020-2021	76,02,06,723
2021-2022	87,12,84,810

16. Importantly, the appellants claimed that they have been purchasing rice from the Respondent since the year 2014 and that the Respondent was well aware about the existence of the Appellant No.1 since then. The Appellants claimed that, therefore, the Respondent has acquiescence in the use of the Trademark by the Appellants.

17. The Appellants further claimed that the Respondent's



application being no.3664458, seeking registration of its mark under Class-30, has not only been opposed by the Appellants but also has a condition that the entire mark is to be used as a whole. The Appellants, therefore, claim that no separate right in the alphabets KRBL can be claimed by the Respondent. It was further claimed that the Respondent also willingly cancelled its application no.941861 seeking registration of its mark, thereby abandoning the said trademark.

18. Herein itself we may also note that in the Suit filed by the Respondent, the Respondent has also impleaded M/s New KRB Foods as Defendant No.4. At the time of passing of the Impugned Order, the Defendant No.4 had not been served with the summons in the Suit, however, has also been injuncted from the use of the mark containing KRB. The Appellants, however, claimed that they have no connection with the Defendant no.4 in the Suit. Therefore, it is not necessary for this Court to consider the case set up by the Respondent herein against the Defendant No.4 in the Suit.


Impugned Order:

19. As is noted hereinabove, the learned District Judge *vide* the Impugned Order has passed an *ad-interim* injunction in favour of the Respondent and against all the Defendants in the Suit, including the Appellants herein, in terms of prayer made by the Respondent in Paragraph 4 (a) of its application under Order XXXIX Rule 1 & 2 of the CPC, which is reproduced hereinunder:

“(a) Pass a decree of interim injunction restraining the defendants by themselves and



also through its individual proprietors/partners/directors, agents, representatives, distributors, assigns, heirs, successors, stockiest and all others acting for and on their behalf from using, selling, soliciting, exporting, displaying, advertising, including but not limited to through print, visual or electronic media including on internet, or by any other mode or manner dealing in or using the impugned trademark/label KRB and/or any other word/mark/label/name which is identical with and/or deceptively similar to the Plaintiff's

said trade mark  and trade name KRBL in relation to their impugned goods, business & services of Rice and other food grains and related/allied/cognate products and from doing any other acts or deeds amounting to or likely to:

(i) Infringement of Plaintiffs registered trademark bearing registration no. 1352767 in class 35.

(ii) Infringement of Plaintiffs copyright in the artwork of Plaintiff's said trade mark.

(iii) Passing off their goods as those of the Plaintiff by use of the impugned trademark/label KRB.

(iii) Passing off their goods as those of the Plaintiff by use of the impugned trademark/label KRB.”

20. Aggrieved of the above Order, the Appellants have filed the present Appeal.

SUBMISSIONS OF THE LEARNED SENIOR COUNSEL FOR THE APPELLANTS:

21. Mr. Rajshekhar Rao, the learned Senior Counsel for the Appellants submitted that the Respondent has admitted that it is not using the Impugned Mark for its goods. He submitted that in terms of



Section 2(2)(b) and Section 2(2)(c) of the Act, use of the mark has to be upon or in any physical or other relation to the goods. He submitted that the Impugned Order itself records that Respondent is not selling goods under the tradename 'KRBL' and, therefore, the Respondent cannot claim any right in the same as a trademark. He submitted that, therefore, no cause of action has arisen owing to the Respondent's admitted non-use of the Respondent's Mark. He further submitted that the trademark protection is contingent on actual use, which is not the case herein. He also submitted that it is the own case of the Respondent that they sell their products under trademarks such as *India Gate*, *Unity* etc., and therefore, a trademark infringement claim for the Respondent's Mark has not been made out under Section 29 of the Act. In support, he placed reliance on *Edward v. Dennis*, (1885) 30 Ch D 454, *In re Ducker's Trade Mark*, [1929] 1 Ch.113, *Thermax Trade Mark* (1985) RPC 403, *George Key Ld's TM* (1953) (71) RPC, *Have a Break Trade Mark*, 1993 RPC Volume 10 and *Sumant Prasad Jain v. Sheojanam Prasad*, (1973) 1 SCC 56. 22. It was submitted that the Respondent's Mark is registered under Class 35 and not Class 30. For the purpose of trademark registration, goods and services are classified into different classes. While the Classes 1 to 34 deal with 'goods', those from Class 35 onwards deal with 'services'. Assuming that the mark of the Respondent is registered under Class 35, the same would entitle it to claim rights of its use only for the 'services' for which it is registered, and not over any goods mentioned in the other classes. Further, as per



the prayer made by the Respondent in the application under Order XXXIX Rule 1 & 2 of the CPC, the Respondent only sought relief against infringement of the mark in Class 35. The learned District Judge, he submitted, has come to a wrong conclusion that the Respondent would have a right over goods covered under Class 30 as well. Reliance to this effect was placed on the decision of the Supreme Court in *Nandhini Deluxe v. Karnataka Coop. Milk Producers Federation Ltd.*, (2018) 9 SCC 183 and that of the Bombay High Court in *Balkrishna Hatcheries v. Nandos International & Anr.*, 2007 OnLine Bom 449.

23. He submitted that the Respondent had withdrawn its trademark application under Class 30, as it had not used or ever intended to use the said trademark. Even, when the Respondent sought re-registration of the said mark in Class 30, it was on a 'proposed to be used' basis, which further shows that the mark was not being used.

24. The learned Senior Counsel submitted that the aspect of confusing or deceptive similarity, which is *sine qua non* for any successful action for infringement or passing off, is not established in the present case. He submitted that the principles which have to be looked into for establishing a case of infringement, as enunciated by the Supreme Court in a plethora of judgements, have not been met by the Respondent in the present case.

25. The learned Senior Counsel contended that the learned District Judge, in terms of Section 134 of the Act as well as provisions of Section 20 of the CPC, does not have the jurisdiction to entertain the



present Suit. He submits that the place of business of the Respondent is at 5190, Lahori Gate, Naya Bazar, Delhi 110006, which falls under the territorial jurisdiction of the Central District, Tis Hazari Courts, however, the Suit has been instituted in the South District, Saket Courts. In support, the learned counsel relied on the decisions in *Dhodha House v. S.K Maingi*, (2006) 9 SCC 41, *Jay Engineering Works Ltd. v. Ramesh Aggarwal*, 2006 SCC OnLine Del 1356, *Indian Performing Rights Society Limited v. Sanjay Dalia*, (2015) 10 SCC 161, *Shree Nath Heritage Liquor Pvt. Ltd. v. Octga Green Power & Sugar Co.Ltd.*, 2017 SCC OnLine Del 9137.

26. He submitted that if the learned District Judge did not have any jurisdiction to deal with the Suit, the very foundation for the Suit is itself destroyed, and no relief could have been granted to the Respondent. In support of this, he placed reliance on the Judgments in *Coal India Ltd. vs Ananta Saha* (2011) 5 SCC 142, *State of Punjab vs Davinder Pal Singh Bhullar* (2011) 14 SCC 770 and *Devendra Kumar vs State of Uttranchal*(2013) 9 SCC 363.

27. He further submitted that the Suit is barred by estoppel and acquiescence as there is a gross delay of about eight years in filing of the aforementioned Suit, as the Respondent was well aware of the Appellants' goods, as they had been in business, in fact, even trading with each other, since 2014. He submits that even otherwise, the cause of action first arose when the Appellants first applied for the registration of their mark and the Respondent came to know of the same in the year 2016, which was then opposed by the Respondent.



The learned counsel relied on Section 33 of the Act and the decisions in *Power Control Appliances v. Sumeet Machines*, (1994) 2 SCC 448, and *M/s KRBL Limited v. Lal Mahal Ltd. & Anr.*, 2015 SCC OnLine Del 13793.

28. It is submitted by the learned Senior Counsel that the Respondent sold its rice in packets weighing less than 25 kgs, however, in 2022, due to the amendment in the GST regime, imposing 5% GST on rice packets weighing less than 25kgs, the Respondent started selling its goods in packets of more than 25kgs in order to avoid to GST on the same. The learned senior counsel submitted that the Respondent had issues with the mark 'KRB' being used, only once the Appellants had tapped the wholesale market and therefore, chose to file the captioned Suit, eight years after they entered into the business together.

29. Further elaborating on the Anti-Dissection principle, which implies that an unwary purchaser of average intelligence and imperfect recollection would not split the name into its component parts and consider the etymological meaning thereof, he submits that the composite marks have to be considered in their entirety as an indivisible whole, rather than dissecting them into parts of the original mark. He submits that the learned District Judge has dissected the Respondent's Mark and solely on this ground, granted *ad-interim* relief to the Respondent. He relied upon the decisions in *Stiefel Laboratories v. Ajanta Pharma Ltd.*, 211 (2014) DLT 296, *Parle Products v. J.P &CO.*, AIR 1972 SC 1359, and *Griffith v. Vick*



Chemicals, AIR 1956 CAL 654.

30. The learned Senior Counsel, alluding to the discrepancies in the Impugned Order, submitted that in the present case, the essentials of injunction, that are a *prima facie* case, balance of convenience, and irreparable loss and injury, have not been met.


31. He submitted that the prayer clause 4(a) of the Respondent's application could not be allowed in *toto*, as Sub-clause (ii) of the said prayer demands an injunction for the infringement of the Respondent's copyright in the artwork of the Respondent's said trademark, which could not have been granted as the Appellant No.1 holds the copyright of the artistic work '*KRB*' *vide* registration No.A-115592/2016 dated 02.08.2016. The Respondent, therefore, cannot claim ignorance of the registration of the copyright of the Appellant No.1, especially while claiming protection of copyright.

32. Concluding his submissions, the learned Senior Counsel contended that the learned District Judge has erred in passing the Impugned Order against the Appellant No.2, as the Appellant No.2 was wrongly impleaded in the aforementioned commercial suit. The financial statements of the Appellant No.2 show that it had no revenue from operations in the said year, let alone from using the trademark '*KRB*'.

33. In these facts, he submitted that the Appeal be allowed, and the Impugned Order be set aside.

SUBMISSIONS OF THE LEARNED SENIOR COUNSEL FOR THE RESPONDENT



34. Proceeding to controvert the submissions of the Appellant, Mr. Jayant Mehta, learned Senior Counsel for the Respondent contended that the Respondent is the registered proprietor of the trademark  in Class 35 in relation to advertising, distribution, marketing, wholesale, and retail services relating to all kinds of rice. The application for the registration of the said trademark was filed by the Respondent in 2005, with a user claim from 2001. The Respondent has been using the said Mark since 2000, continuously, honestly, and in the course of trade as a source identifier of its goods. The Respondent has tremendous goodwill and reputation in the market.

35. He submitted that the tradename can be protected as a trademark if its use becomes a source identifier for the products. He refers to Sections 2(m) and 2(2) of the Act and sought to draw sustenance in support of aforesaid submission by relying upon the decisions in *Laxmikant V. Patel v. Chetanbhai Shah & Anr.*, (2002) 3 SCC 65, *Jaquar Company Pvt Ltd. v. VilleroyBoch Ag & Anr.*, 2023 SCC OnLine Del 2734, *Montari Overseas Ltd. v. Montari Industries Ltd.*, 1996 16 PTC 142 OnLine Del 865, and *Montari Industries Ltd v. Montari Overseas Ltd.*, (1995) 15-PTC 399.

36. The learned Senior Counsel submitted that the Appellants are in the business of sale/purchase of rice, which is identical to the Respondent's goods and services. He submitted that the Appellants have filed various trademark applications for the Impugned Mark before the trademark registry. The claim of the Appellants that they



conducted a market research while adopting the Impugned Mark and did not come across the mark of the Respondent, is *malafide*, and in bad faith as the Respondent has been using the trademark 'KRBL' since the year 2000. The Appellants and the Respondent conduct business in the same vicinity, and it is untrue that the Appellants were unaware of the Respondent being in the market.

37. Further, the trademark registry issued examination reports in the year 2013 on the application filed by the Appellants, categorically mentioning marks that were already on the register, also containing the application details of the registered trademark 'KRBL' in Class 30, of the Respondent. The similarity in both the marks and the goods surpasses identical resemblance, thereby showing a dishonest adoption by the Appellants. Reliance was placed on the decisions in *Midas Hygiene Industries (P) LTD. & Anr v. Sudhir Bhatia & Ors*, (2004) 3 SCC 90, *Sterling Agro Industries Limited v. AST Trading Company & Ors.*, 2024 SCC OnLine Del 1145, *T.V Venugopal v. Ushodaya Enterprises Limited & Anr.*, (2011) 4 SCC 85, *M/s Ansul Industries v. M/s Shiva Tobacco Company*, ILR (2007) I DELHI 409, and *Rolex SA v. Alex Jewellery Pvt Ltd. & Ors.*, 2009 SCC OnLine Del 753.

38. The learned Senior Counsel further submitted that the Appellants were subsequent adopters of the Impugned Mark. The Appellants have contended that they have adopted the mark from the year 2009, however, they have not filed a single document to establish the same. The earliest document relied upon by the



Appellants is of the year 2011 and the use, even if assuming *arguendo*, is sporadic. He submitted that an injunction must follow once the three elements of passing off have been established, such as in the present case. Reliance was placed on *Laxmikant* (supra) and *Mind Gym Ltd. v. Mindgym Kids Liberty Pvt Ltd.*, (2014) 58 PTC 270.

39. The learned Senior Counsel submitted that the Respondent was the prior user of the Respondent's Mark which was duly registered under Class 30 before the trademark registry on 24.07.2000, with the user detail of 01.03.2000. The said trademark application was neither under any opposition/objection nor was any cancellation filed against such registration obtained by the Respondent. The Respondent filed an application for the withdrawal/cancellation of the trademark only because they were influenced by poor legal advice received during the implementation of the GST regime in the country. On discovering the mistake, the Respondent immediately applied for registration of the said mark by filing another trademark application, one day after their previous registration was cancelled. The argument of the Appellants that the Respondent abandoned the rights in the mark 'KRBL' cannot be sustained. While relying on McCarthy Law on Trademark, he submitted that the intention to abandon is necessary, before it could be found that a mark has been legally abandoned by non-use. There has to be satisfactory evidence of definitive acts indicating an intention to permanently give up the mark. He placed reliance on *McCarthy on Trademarks- Chapter 17, Loss of*



Trademark Rights and Hardie Trading Ltd. & Anr. v. Addisons Paint and Chemicals Ltd., (2003) 11 SCC 92.

40. The learned Senior Counsel submitted that the Appellants dishonestly filed for the trademark 'KRB' on 08.03.2013, with a user detail of 01.04.2009, and the said mark was published in the trademark journal only in the year 2016. The examination report against the trademark 'KRB' mentioned the mark of the Respondent, and the Respondent duly filed a notice of opposition against the said mark on 04.10.2016. A similar set of facts and circumstances ensued for the Application of the Appellants under Class 35 as well. The Respondent, he submitted, has always been diligent in protecting their statutory right. He placed reliance on the decision in ***N.R Dongre & Ors v. Whirlpool Corporation & Anr.***, (1996) 16 PTC 476.

41. He further pointed out that the Appellants have alleged that the Respondent was in business with the Appellants and hence, the Suit filed suffers from delay. However, this would not have any effect on the claim of the Respondent inasmuch as the Respondent company has various branches and sales executives, and that the key managerial personnel cannot be aware of such transactions at the lowest level of the business chain. The Respondent never knowingly encouraged the use of the Impugned Mark. Reliance to this effect was placed on ***Make My Trip (India) Private Limited v. Make My Travel (India) Private Limited***, (2019) 80 PTC 491.

42. According to Mr. Jayant Mehta, protection of a registered trademark under Class 35 also extends to Class 30 due to the allied



and cognate nature of the Classes. The similarity of the goods and services has to be viewed from an overall perspective. To seek support, he placed reliance on *FDC Limited v. Docsuggest Healthcare Services Pvt Ltd & Ors.*, 2017 (69) PTC 218 (Del).

43. While responding to the maintainability of the Suit, the learned Senior Counsel vehemently submitted that as per Section 134 of the Act, a suit can be filed wherever the infringing products are available on the website, or where the consumer is surfing the website of the Respondent.

ANALYSIS AND CONCLUSION

44. We have heard the submissions advanced by the learned Senior Counsels appearing for the parties, perused the material on record, and have gone through the Impugned Order.

45. At the outset, we will first consider the limited scope of our jurisdiction to interfere with the Impugned Order, which has been passed by the learned Trial Court in exercise of its discretionary jurisdiction under Order XXXIX Rule 1 and 2 of the CPC. Right from *Wander Ltd. v. Antox Inida P. Ltd.*, 1990 Supp SCC 727, the Supreme Court has cautioned that in appeals challenging the orders passed by the learned Trial Court in exercise of its discretionary jurisdiction, the appellate Court will not interfere, except where the discretion has been shown to have been exercised arbitrarily or capriciously or perversely or where the court has ignored the settled principles of law regulating grant or refusal of interlocutory injunctions. The appellate court will not reassess the material and



seek to reach a conclusion if it would have exercised its discretion differently, but will only interfere if the discretion has been exercised in a perverse manner by the Trial Court. Recently, this principle has been reiterated and explained by the Supreme Court in ***Ramakant Ambalal Choksi v. Harish Ambalal Choksi & Ors.***, 2024 SCC OnLine SC 3538, by holding as under:-

“20. Order 43 of the CPC specifies the orders against which an appeal lies. Sub-Rule (r) of Rule 1 of the said order provides that an appeal would lie against an order made under Rules 1, 2, 2A, 4 and 10 of Order 39 of the CPC respectively.

21. The law in relation to the scope of an appeal against grant or non-grant of interim injunction was laid down by this Court in Wander Ltd. v. Antox India P. Ltd., 1990 Supp SCC 727. Antox brought an action of passing off against Wander with respect to the mark Cal-De-Ce. The trial court declined Antox's plea for an interim injunction, however, on appeal the High Court reversed the findings of the trial judge. This Court, upon due consideration of the matter, took notice of two egregious errors said to have been committed by the High Court:

a. First, as regards the scope and nature of the appeals before it and the limitations on the powers of the appellate court to substitute its own discretion in an appeal preferred against a discretionary order; and

b. Secondly, the weakness in ratiocination as to the quality of Antox's alleged user of the trademark on which the passing off action is founded.

22. With regards to (a), this Court held thus:

“In such appeals, the appellate court will not interfere with the exercise of discretion of the court of the first instance and substitute its own discretion, except where the



discretion has been shown to have been exercised arbitrarily or capriciously or perversely, or where the court had ignored the settled principles of law regulating grant or refusal of interlocutory injunctions ... the appellate court will not reassess the material and seek to reach a conclusion different from the one reached by the court below ... If the discretion has been exercised by the trial court reasonably and in a judicial manner the fact that the appellate court would have taken a different view may not justify interference with the trial court's exercise of discretion."

23. *This Court, while arriving at the above findings, relied on its earlier judgment in *Printers (Mysore) v. Pothan Joseph*, 1960 SCC OnLine SC 62 where it was held thus:*

*"[...] as has been observed by Viscount Simon LC in *Charles Osenton & Co v. Johnston* - the law as to reversal by a court of appeal of an order made by a judge below in the exercise of his/her discretion is well established, and any difficulty that arises is due only to the application of well-settled principles in an individual case."*

24. *It is pertinent to note that in *Printers (supra)* this Court had held that ignoring relevant facts is also a ground for interfering with the discretion exercised by the trial court. Furthermore, Viscount Simon LC in *Charles Osenton & Co v. Johnston*, [1942] A.C. 130, after stating the above, went on to quote Lord Wright's decision in *Evans v. Bartlam*, [1937] A.C. 473:*

"It is clear that the court of appeal should not interfere with the discretion of a judge acting within his jurisdiction unless the court is clearly satisfied that he was wrong. But the court is not entitled simply to say that if the judge had jurisdiction



and had all the facts before him, the court of appeal cannot review his order unless he is shown to have applied a wrong principle. The court must, if necessary, examine anew the relevant facts and circumstances in order to exercise a discretion by way of review which may reverse or vary the order.”

25. *In Evans (supra) case, Lord Wright made it clear that while adjudicating upon the discretion exercised by the trial court, the appellate court is obliged to consider the case put forward by the appellant in favour of its argument that the trial court exercised its discretion arbitrarily or incorrectly in the circumstances.*

26. *What flows from a plain reading of the decisions in Evans (supra) and Charles Osenton (supra) is that an appellate court, even while deciding an appeal against a discretionary order granting an interim injunction, has to:*

a. Examine whether the discretion has been properly exercised, i.e. examine whether the discretion exercised is not arbitrary, capricious or contrary to the principles of law; and

b. In addition to the above, an appellate court may in a given case have to adjudicate on facts even in such discretionary orders.

27. *The principles of law explained by this Court in Wander's (supra) have been reiterated in a number of subsequent decisions of this Court. However, over a period of time the test laid down by this Court as regards the scope of interference has been made more stringent. The emphasis is now more on perversity rather than a mere error of fact or law in the order granting injunction pending the final adjudication of the suit.*

28. *In Neon Laboratories Ltd. v. Medical Technologies Ltd., (2016) 2 SCC 672 this Court held that the Appellate Court should not flimsily, whimsically or lightly interfere in*



the exercise of discretion by a subordinate court unless such exercise is palpably perverse. Perversity can pertain to the understanding of law or the appreciation of pleadings or evidence. In other words, the Court took the view that to interfere against an order granting or declining to grant a temporary injunction, perversity has to be demonstrated in the finding of the trial court.

29. In Mohd. Mehtab Khan v. Khushnuma Ibrahim Khan, (2013) 9 SCC 221 this Court emphasised on the principles laid down in Wander (supra) and observed that while the view taken by the appellate court may be an equally possible view, the mere possibility of taking such a view must not form the basis for setting aside the decision arrived at by the trial court in exercise of its discretion under Order 39 of the CPC. The basis for substituting the view of the trial court should be mala-fides, capriciousness, arbitrariness or perversity in the order of the trial court. The relevant observations are extracted below:

“20. In a situation where the learned trial court on a consideration of the respective cases of the parties and the documents laid before it was of the view that the entitlement of the plaintiffs to an order of interim mandatory injunction was in serious doubt, the Appellate Court could not have interfered with the exercise of discretion by the learned Trial Judge unless such exercise was found to be palpably incorrect or untenable. The reasons that weighed with the learned Trial Judge, as already noticed, according to us, do not indicate that the view taken is not a possible view. The Appellate Court, therefore, should not have substituted its views in the matter merely on the ground that in its opinion the facts of the case call for a different conclusion. Such an exercise is not the correct parameter for exercise of jurisdiction while hearing an appeal against a



discretionary order. While we must not be understood to have said that the Appellate Court was wrong in its conclusions what is sought to be emphasized is that as long as the view of the trial court was a possible view the Appellate Court should not have interfered with the same following the virtually settled principles of law in this regard as laid down by this Court in Wander Ltd. v. Antox India (P) Ltd.”

(Emphasis supplied)

30. *This Court in Shyam Sel & Power Ltd. v. Shyam Steel Industries Ltd., (2023) 1 SCC 634 observed that the hierarchy of the trial court and the appellate court exists so that the trial court exercises its discretion upon the settled principles of law. An appellate court, after the findings of the trial court are recorded, has an advantage of appreciating the view taken by the trial judge and examining the correctness or otherwise thereof within the limited area available. It further observed that if the appellate court itself decides the matters required to be decided by the trial court, there would be no necessity to have the hierarchy of courts.*

31. *This Court in Monsanto Technology LLC v. Nuziveedu Seeds Ltd., (2019) 3 SCC 381, observed that the appellate court should not usurp the jurisdiction of the Single Judge to decide as to whether the tests of prima facie case, balance of convenience and irreparable injury are made out in the case or not.*

32. *The appellate court in an appeal from an interlocutory order granting or declining to grant interim injunction is only required to adjudicate the validity of such order applying the well settled principles governing the scope of jurisdiction of appellate court under Order 43 of the CPC which have been reiterated in various other decisions of this Court. The appellate court should not assume unlimited jurisdiction and should guide its pow-*



ers within the contours laid down in the *Wander* (supra) case.

46. The Supreme Court in *Ramakant* (supra), also explained the meaning of the term ‘perverse’, as under:

“35. Any order made in conscious violation of pleading and law is a perverse order. In *Moffett v. Gough*, (1878) 1 LR 1r 331, the Court observed that a perverse verdict may probably be defined as one that is not only against the weight of evidence but is altogether against the evidence. In *Godfrey v. Godfrey*, 106 NW 814, the Court defined “perverse” as “turned the wrong way”; not right; distorted from the right; turned away or deviating from what is right, proper, correct, etc.

36. The expression “perverse” has been defined by various dictionaries in the following manner:

a. *Oxford Advanced Learner's Dictionary of Current English*, 6th Ed.

Perverse - Showing deliberate determination to behave in a way that most people think is wrong, unacceptable or unreasonable.

b. *Longman Dictionary of Contemporary English - International Edition*

Perverse - Deliberately departing from what is normal and reasonable.

c. *The New Oxford Dictionary of English - 1998 Edition*

Perverse - Law (of a verdict) against the weight of evidence or the direction of the judge on a point of law.

d. *New Webster's Dictionary of the English Language (Deluxe Encyclopedic Edition)*

Perverse - Purposely deviating from accepted or expected behavior or opinion; wicked or wayward; stubborn; cross or petulant.

e. *Stroud's Judicial Dictionary of Words &*



Phrases, 4th Ed.

Perverse - A perverse verdict may probably be defined as one that is not only against the weight of evidence but is altogether against the evidence.

37. The wrong finding should stem out on a complete misreading of evidence or it should be based only on conjectures and surmises. Safest approach on perversity is the classic approach on the reasonable man's inference on the facts. To him, if the conclusion on the facts in evidence made by the court below is possible, there is no perversity. If not, the finding is perverse. Inadequacy of evidence or a different reading of evidence is not perversity. (See : *Damodar Lal v. Sohan Devi*, (2016) 3 SCC 78)”

(Emphasis Supplied)

47. In *Ramakant* (supra), the Supreme Court also reiterated the guiding principles governing the grant of temporary injunction, as under:

“33. In the case of Anand Prasad Agarwal v. Tarkeshwar Prasad, (2001) 5 SCC 568, it was held by this Court that it would not be appropriate for any court to hold a mini-trial at the stage of grant of temporary injunction.

34. The burden is on the plaintiff, by evidence aliunde by affidavit or otherwise, to prove that there is “a prima facie case” in his favour which needs adjudication at the trial. The existence of the prima facie right and infraction of the enjoyment of his property or the right is a condition precedent for the grant of temporary injunction. Prima facie case is not to be confused with prima facie title which has to be established on evidence at the trial. Only prima facie case is a substantial question raised, bona fide, which needs investigation and a decision on merits. Satisfaction that there is a prima facie case



by itself is not sufficient to grant injunction. The Court further has to satisfy that noninterference by the court would result in “irreparable injury” to the party seeking relief and that there is no other remedy available to the party except one to grant injunction and he needs protection from the consequences of apprehended injury or dispossession. Irreparable injury, however, does not mean that there must be no physical possibility of repairing the injury, but means only that the injury must be a material one, namely one that cannot be adequately compensated by way of damages. The third condition also is that “the balance of convenience” must be in favour of granting injunction. The Court while granting or refusing to grant injunction should exercise sound judicial discretion to find the amount of substantial mischief or injury which is likely to be caused to the parties, if the injunction is refused and compare it with that which is likely to be caused to the other side if the injunction is granted. If on weighing competing possibilities or probabilities of likelihood of injury and if the Court considers that pending the suit, the subject matter should be maintained in status quo, an injunction would be issued. Thus, the Court has to exercise its sound judicial discretion in granting or refusing the relief of ad interim injunction pending the suit. (See : Dalpat Kumar v. Prahlad Singh, (1992) 1 SCC 719.)”

(Emphasis Supplied)

48. Applying the above principles of the facts of the present case, it is not in dispute that the Respondent’s corporate name is KRBL Ltd., and that the Respondent is the registered proprietor of the Respondent’s Mark in Class 35. Initially, the Respondent had applied



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for registration under Class 30, but later withdrew the application, but reapplied for the same within a day of the acceptance of its withdrawal application. As on the date of institution of the Suit, the Respondent is the registered proprietor of the Respondent's Mark in Class 35 only.

49. The Respondent asserts that it had been carrying on its business in India as well as overseas through exports from India (including the Middle East countries, Australia, European Countries, USA, South Africa, Canada; South East Asian Countries like Singapore, Malaysia etc.). The Respondent's business and services under the said trademark together with the goodwill and reputation achieved thereunder is global in character. Ever since the year 2000, the Respondent has been expanding the use of its trademark in relation to its said business and services to cover more countries across the globe.

50. The Respondent is the registered proprietor of trademark/label since the year 2000. The Respondent has also registered its domain name under www.krblrice.com on 18.09.2001. The Respondent, in support of its contention of continuous, honest, and in the course of trade use of trademark label "KRBL" as a source identifier of its goods, filed invoices beginning from the year 2000 upto 2021, and also placed on record figures in respect of revenue from operation for its goods, business and services, which have been reproduced by us hereinabove. The Respondent has also mentioned his advertisement expenditure and placed on record advertisement material.



51. We shall first deal with the submission of the Appellants that the Respondent, in fact, trades under trademark like ‘India Gate’, ‘Unity’, etc. and not ‘KRBL’. The submission, in fact, is that use of the corporate name is itself not a use of it as a trademark.

52. While as a general proposition of law, the above submission sounds attractive, in the facts of the present case, it may not come to the aid of the appellant.

53. The term ‘mark’ is defined in Section 2(1)(m) of the Act, as under:

“Section 2. Definitions and interpretation.

(1) In this Act, unless the context otherwise requires,--

(m) mark includes a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof;”

54. ‘Trademark’ is defined in Section 2(1)(zb) of the Act as a mark capable of distinguishing the goods or services of one person from those of others. We quote the Section as under:

“Section 2. Definitions and interpretation.

(1) In this Act, unless the context otherwise requires,--

(zb) trade mark means a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others and may include shape of goods, their packaging and combination of colours; and--

(i) in relation to Chapter XII (other than section 107), a registered trade mark or a



mark used in relation to goods or services for the purpose of indicating or so as to indicate a connection in the course of trade between the goods or services, as the case may be, and some person having the right as proprietor to use the mark; and (ii) in relation to other provisions of this Act, a mark used or proposed to be used in relation to goods or services for the purpose of indicating or so as to indicate a connection in the course of trade between the goods or services, as the case may be, and some person having the right, either as proprietor or by way of permitted user, to use the mark whether with or without any indication of the identity of that person, and includes a certification trade mark or collective mark;”

55. Therefore, a combined reading of the above provisions would show that even a name, which is capable of distinguishing the goods or services of one person from those of others, qualifies to be considered as a trademark. Reference in this regard may be made to *Laxmikant V. Patel* (supra), *Jaquar Company Pvt Ltd.* (supra), *Montari Overseas Ltd.* (supra), and to *Montari Industries Ltd.* (supra).

56. This now brings us to the submission of the Appellant that the Respondent’s Mark is not used by it on the goods and is, therefore, not entitled to protection.

57. This submission of the appellant also does not impress us. Manner of ‘Use of a mark’ has been explained in Section 2(2)(c) of the Act, as under:

“Section 2. Definitions and interpretation.



(2) In this Act, unless the context otherwise requires, any reference--

(c) to the use of a mark,--

(i) in relation to goods, shall be construed as a reference to the use of the mark upon, or in any physical or in any other relation whatsoever, to such goods;

(ii) in relation to services, shall be construed as a reference to the use of the mark as or as part of any statement about the availability, provision or performance of such services;”

58. The ‘use of a mark’ in relation to goods is therefore, the use of the same upon, or in any physical or in any other relation whatsoever, to such goods. It is, therefore, not necessary that the mark must only be used in a physical form in relation to such goods, but may be used in any other relation whatsoever to such goods. A Division Bench of this Court in *Google Llc v. DRS Logistics (P) Limited & Ors.*, 2023 SCC OnLine Del 4809, explained the wide nature of the above definition of the ‘use of a mark’, as under:

“84. Section 2(2)(c)(i) of the TM Act is couched in wide terms. Any reference to the use of a mark in relation to goods is not only limited to use in any physical form but also “in other relation whatsoever” to such goods. The words “in relation to” have been interpreted in wide terms. In *Hardie Trading Ltd. v. Addisons Paint & Chemicals Ltd.* [*Hardie Trading Ltd. v. Addisons Paint & Chemicals Ltd.*, (2003) 11 SCC 92], the Supreme Court considered the scope of Section 2(2)(b) of the TM Act [which is now Section 2(2)(c)(i) of the TM Act] and interpreted the words “in other relation whatsoever” in wide terms. The court further



observed that use of the words “in” and “whatsoever” indicated that the expression “other relation” was of a wide amplitude. The relevant extract of the said decision is as under: (SCC pp. 108-109, paras 41, 42 and 45)

“41. The question therefore is — is the word ‘use’ in Section 46(1) so limited? The phrase used in Section 46 is ‘bona fide use thereof in relation to those goods’. The phrase has been defined in Section 2(2)(b) of the Act as:

‘2. (2)(b) to the use of a mark in relation to goods shall be construed as a reference to the use of the mark upon, or in any physical or in any other relation whatsoever, to such goods.’

(emphasis supplied)

42. This shows that the use may be other than physical. It may be in any other relation to the goods. Given this statutory meaning, we see no reason to limit the user to use on the goods or to sale of goods bearing the trade mark.

45. In Section 2(2)(b) of the Act, we have the additional words ‘any’ and ‘whatsoever’ qualifying the words ‘other relation’ giving the words a much wider meaning. Reading this definition into Section 46(1) it is clear that the word ‘use’ in Section 46(1) may encompass actions other than actual sale.”

85. We are unable to accept that the use of a trade mark must necessarily be limited to use in a visual form on the goods. The words “in any other relation” to goods would also include use in relation to the goods, in any form whatsoever.

86. Section 2(2)(c)(ii) of the TM Act requires the reference to the use of the mark as or as a part of any statement about availability, provision or performance of such services. The expression “or in any other relation



whatsoever” is not used under Section 2(2)(c)(ii) of the TM Act. It is difficult to accept that the use of a mark in relation to services must be construed in a narrower sense than use of the mark in respect of goods. However, the same would depend on the context in which the expression “use of the mark” is used.

87. Section 2(2) of the TM Act serves as an aid to interpret the words and terms as used in the TM Act. However, the same is by no means exhaustive. The expression “use of a mark” is used in the TM Act in several sections and in the context of various aspects including removal of the trade mark on account of abandonment or non-use, and for lack of any bona fide intention to use the mark. Thus, the question whether a reference to the expression “use of a trade mark” is to be understood as instructed by Section 2(2)(b) or Section 2(2)(c) of the TM Act would depend on the context in which the said expression is used.

88. Section 29(6) of the TM Act expressly lists out certain actions, which would amount to use of a registered mark for the purposes of Section 29 of the TM Act. Clearly, the words of Section 2(2) of the TM Act do not control the width of Section 29(6) of the TM Act. Thus, if any action falls within the scope of Section 29(6) of the TM Act, the same would necessarily have to be construed as use of the mark, for ascertaining whether the trade mark is infringed in terms of Section 29 of the TM Act.

89. We concur with the view that the words “unless the context otherwise requires” in the opening sentence of Section 2(2) of the TM Act, limits the applicability of Section 2(2) of the TM Act to where it is contextually relevant.”

59. In the present case, the Respondent has placed on record



voluminous documents to show the use of its mark not only in relation to the goods, but also in form of advertisement etc. In fact, as is admitted, the Respondent is also the registered proprietor of its mark, as far as Class 35 is concerned, in relation to rice.

60. Coming to the claim of infringement of the trademark by the Appellant, Section 29 of the Act is reproduced herein below:

“Section 29. Infringement of registered trade marks.-

(1) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which is identical with, or deceptively similar to, the trade mark in relation to goods or services in respect of which the trade mark is registered and in such manner as to render the use of the mark likely to be taken as being used as a trade mark.

(2) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which because of--

(a) its identity with the registered trade mark and the similarity of the goods or services covered by such registered trade mark; or

(b) its similarity to the registered trade mark and the identity or similarity of the goods or services covered by such registered trade mark; or

(c) its identity with the registered trade mark and the identity of the goods or services covered by such registered trade mark, is likely to cause confusion on the part of the public, or which is likely to have an association with the registered trade mark.

(3) In any case falling under clause (c) of sub-section (2), the court shall presume that



it is likely to cause confusion on the part of the public.

(4) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which--

(a) is identical with or similar to the registered trade mark; and

(b) is used in relation to goods or services which are not similar to those for which the trade mark is registered; and

(c) the registered trade mark has a reputation in India and the use of the mark without due cause takes unfair advantage of or is detrimental to, the distinctive character or repute of the registered trade mark.

(5) A registered trade mark is infringed by a person if he uses such registered trade mark, as his trade name or part of his trade name, or name of his business concern or part of the name, of his business concern dealing in goods or services in respect of which the trade mark is registered.

(6) For the purposes of this section, a person uses a registered mark, if, in particular, he--

(a) affixes it to goods or the packaging thereof;

(b) offers or exposes goods for sale, puts them on the market, or stocks them for those purposes under the registered trade mark, or offers or supplies services under the registered trade mark;

(c) imports or exports goods under the mark; or

(d) uses the registered trade mark on business papers or in advertising.

(7) A registered trade mark is infringed by a person who applies such registered trade mark to a material intended to be used for labeling or packaging goods, as a business paper, or for advertising goods or services, provided such person, when he applied the mark, knew or had reason to believe that the



application of the mark was not duly authorised by the proprietor or a licensee.

(8) A registered trade mark is infringed by any advertising of that trade mark if such advertising--

(a) takes unfair advantage of and is contrary to honest practices in industrial or commercial matters; or

(b) is detrimental to its distinctive character; or

(c) is against the reputation of the trade mark.

(9) Where the distinctive elements of a registered trade mark consist of or include words, the trade mark may be infringed by the spoken use of those words as well as by their visual representation and reference in this section to the use of a mark shall be construed accordingly."

61. A registered trademark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark:

- i) Which is identical with, or deceptively similar to, the trade mark in relation to goods or services in respect of which the trade mark is registered and in such manner as to render the use of the mark likely to be taken as being used as a trade mark; or
- ii) Which because of-
 - a) its identity with the registered trade mark and the similarity of the goods or services covered by such registered trade mark; or
 - b) its similarity to the registered trade mark



and the identity or similarity of the goods or services covered by such registered trade mark; or

- c) its identity with the registered trade mark and the identity of the goods or services covered by such registered trade mark,

is likely to cause confusion on the part of the public, or which is likely to have an association with the registered trade mark.

62. Therefore, identity of the mark or the goods for which the mark is registered is not a *sine qua non* for a claim of infringement.

63. Now, turning to the question whether the Respondent's Mark, which is registered in Class 35, is infringed by the Appellant's Mark. The classification of the goods under the Trade Mark Rules alone is not a determinative factor for considering the claim of infringement; it is the similarity of the goods or services covered by the registered trade mark that has to be seen.

64. In the present case, the Respondent's Mark is registered in Class 35 for advertising, distribution, marketing, wholesale and retail services relating to all kind of rice. The Appellants admittedly are using the Impugned Mark for rice, which would include its advertising, marketing and wholesale and retail. Therefore, merely the fact that the Respondent's Mark presently is registered only in Class 35 and not in Class 30, would not come to the aid of the Appellants in their defence to the claim of infringement by the



Respondent.

65. A perusal of the marks shows that the Appellants' mark 'KRB' is similar to the Respondent's registered mark 'KRBL'. Though a mark is not to be dissected and must be taken as a whole, it is also settled principle of law that for judging whether the mark is deceptively similar to another mark, the dominant part of the mark may be seen. When compared on this touchstone, the mark of the appellant is *prima facie* deceptively similar to that of the respondent.

66. This now brings us to another important aspect of the submission of the learned senior counsel for the Appellant, that is, the Respondent, while withdrawing its application for registration of its mark in Class-30, evidenced an intention to abandon the said mark. The learned senior counsel for the Appellants has further urged that the Respondent did not initiate any legal action against the Appellants upon coming to know of its application seeking registration of its mark in Class-30 and Class-35 in the year 2016. The learned senior counsel for the Appellants has also placed reliance on certain invoices for the purchase and sale of rice between the Appellants and the Respondent. He submits that as the present Suit was filed only in July 2022, it must also be said to have acquiescence to the use of the mark Respondent. He has also placed reliance on Section 33 of the Act.

67. We are not impressed with the above submissions of the Appellants.

68. As far as the withdrawal of the application is concerned, the



Respondent has explained that it filed the application seeking withdrawal of registration in Class-30 because of an erroneous legal advice received during the implementation of the GST regime in the country. The said application was allowed on 06.07.2017, however, immediately realising its mistake, the Respondent filed a fresh application seeking registration of its mark in Class-30 on 07.07.2017. This, at *prima facie*, establishes the plea of the respondent that the withdrawal of the application was due to a mistaken advice and immediately, the respondent had taken corrective measures. In our view, the above conduct of the respondent does not display an intention to abandon the claim in the mark as far as goods falling in Class 30 is concerned or even otherwise.

69. On the plea of acquiescence, the Respondent has claimed that though the Appellants have filed an application seeking registration of its mark, which was opposed by the Respondent in the year 2016, the market survey did not reveal the use of the said mark by the Appellants. It was only in the year 2022 that the Respondent came to know about the use of the said mark by the Appellants, and thereafter, immediately filed the Suit.

70. On the commercial transactions between the parties, the learned senior counsel for the Respondent, on the other hand, submits that such invoices do not reflect the knowledge of the existence of the appellant by the management of the Respondent.

71. We find *prima facie* merit in the submissions made by the Respondent.



72. The Supreme Court in *M/s Power Control Appliances* (supra), has held that acquiescence is sitting by, when another is invading the rights and spending money on it. It is a course of conduct inconsistent with the claim for exclusive rights in a trade mark, trade name etc. It has to be a positive act. We quote from the judgment as under:-

“26. Acquiescence is sitting by, when another is invading the rights and spending money on it. It is a course of conduct inconsistent with the claim for exclusive rights in a trade mark, trade name etc. It implies positive acts; not merely silence or inaction such as is involved in laches. In Harcourt v. White [(1860) 28 Beav 303 : 54 ER 382] Sr. John Romilly said:

“It is important to distinguish mere negligence and acquiescence.” Therefore, acquiescence is one facet of delay. If the plaintiff stood by knowingly and let the defendants build up an important trade until it had become necessary to crush it, then the plaintiffs would be stopped by their acquiescence. If the acquiescence in the infringement amounts to consent, it will be a complete defence as was laid down in Mouson (J.G.) & Co. v. Boehm [(1884) 26 Ch D 406] . The acquiescence must be such as to lead to the inference of a licence sufficient to create a new right in the defendant as was laid down in Rodgers v. Nowill [(1847) 2 De GM&G 614 : 22 LJ KCH 404] .

27. The law of acquiescence is stated by Cotton, L.J. in Proctor v. Bannis [(1887) 36 Ch D 740] as under:

“It is necessary that the person who alleges this lying by should have been acting in ignorance of the title of the other man, and that the other man should have known that ignorance and not mentioned his own title.”



In the same case Bowen, L.J. said:

“In order to make out such acquiescence it is necessary to establish that the plaintiff stood by and knowingly allowed the defendants to proceed and to expend money in ignorance of the fact that he had rights and means to assert such rights.”

28. *In Devidoss and Co. [AIR 1941 Mad 31 : (1940) 2 MLJ 793 : ILR 1941 Mad 300] at pages 33 and 34 the law is stated thus:*

“To support a plea of acquiescence in a trade mark case it must be shown that the plaintiff has stood by for a substantial period and thus encouraged the defendant to expend money in building up a business associated with the mark. In Rowland v. Michell [(1896) 13 RPC 464] Romer J. observed:

‘If the plaintiff really does stand by and allow a man to carry on business in the manner complained of to acquire a reputation and to expend money he cannot then after a long lapse of time, turn round and say that the business ought to be stopped.’”

In the same case, but on appeal Lord Russel, C.J. said [Rowland v. Michell, (1897) 14 RPC 37, 43] at p. 43:

“Is the plaintiff disentitled to relief under that head by injunction because of acquiescence? Of course it is involved in the consideration of that that the plaintiff has a right against the defendant and that the defendant has done him a wrong and the question is whether the plaintiff has so acted as to disentitle him from asserting his right and from seeking redress from the wrong which has been done to him. Cases may occasionally lay down principles and so forth which are a guide to the court, but each case depends upon its own circumstances.

Dealing with the question of standing by in Codes v. Addis and Son [(1923) 40 RPC



130, 142] at p. 142, Eve, J. said:

'For the purpose of determining this issue I must assume that the plaintiffs are traders who have started in this more or less small way in this country, and have been continuously carrying on this business. But I must assume also that they have not, during that period, been adopting a sort of Rip Van Winkle policy of going to sleep and not watching what their rivals and competitors in the same line of business were doing. I accept the evidence of any gentleman who comes into the box and gives his evidence in a way which satisfies me that he is speaking the truth when he says that he individually did not know of the existence of a particular element or a particular factor in the goods marketed by his opponents. But the question is a wider question than that : ought not he to have known : is he entitled to shut his eyes to everything that is going on around him, and then when his rivals have perhaps built a very important trade by the user of indicia which he might have prevented their using had he moved in time, come to the Court and say : "Now stop them from doing it further, because a moment of time has arrived when I have awakened to the fact that this is calculated to infringe my rights." Certainly not. He is bound, like everybody else who wishes to stop that which he says is an invasion of his rights, to adopt a position of aggression at once, and insist, as soon as the matter is brought to Court, it ought to have come to his attention, to take steps to prevent its continuance; it would be an insufferable injustice were the Court to allow a man to lie by while his competitors are building up an important industry and then to come forward, so soon as the importance of the industry has been brought home to his mind, and endeavour



to take from them that of which they had legitimately made use; every day when they used it satisfying them more and more that there was no one who either could or would complain of their so doing. The position might be altogether altered had the user of the factor or the element in question been of a secretive or surreptitious nature; but when a man is openly using, as part of his business, names and phrases, or other elements, which persons in the same trade would be entitled, if they took steps, to stop him from using, he gets in time a right to sue them which prevents those who could have stopped him at one time from asserting at a later stage their right to an injunction.'

In Mc. Caw Stevenson & Orr Ltd. v. Lee Bros. [(1960) 23 RPC 1] acquiescence for four years was held to be sufficient to preclude the plaintiff from succeeding. In 1897 the plaintiffs in that case registered the word 'glacier' as a trade mark in respect of transparent paper as a substitute for stained glass. As the result of user the word had become identified with the plaintiffs' goods. In 1900 the defendants commenced to sell similar goods under the name 'glazine.' In 1905 the plaintiffs commenced an action for infringement. The defendants denied that the use of the word 'glazine' was calculated to deceive and also pleaded acquiescence. A director of the plaintiff company admitted that he had known of the use of the word 'glazine' by the defendants for four years — he would not say it was not five years. It was held that the plaintiffs failed on the merits and by reason of their delay in bringing the action.

Delay simpliciter may be no defence to a suit for infringement of a trade mark, but the decisions to which I have referred to clearly indicate that where a trader allows a rival trader to expend money over a considerable



period in the building up of a business with the aid of a mark similar to his own he will not be allowed to stop his rival's business. If he were permitted to do so great loss would be caused not only to the rival trader but to those who depend on his business for their livelihood. A village may develop into a large town as the result of the building up of a business and most of the inhabitants may be dependent on the business. No hard and fast rule can be laid down for deciding when a person has, as the result of inaction, lost the right of stopping another using his mark. As pointed out in Rowland v. Michell [Rowland v. Michell, (1897) 14 RPC 37, 43] each case must depend on its own circumstances, but obviously a person cannot be allowed to stand by indefinitely without suffering the consequence.”

29. *This is the legal position. Again in Halsbury's Laws of England, Fourth Edn., Vol. 24 at paragraph 943 it is stated thus:*

“943. Acquiescence.— An injunction may be refused on the ground of the plaintiff's acquiescence in the defendant's infringement of his right. The principles on which the court will refuse interlocutory or final relief on this ground are the same, but a stronger case is required to support a refusal to grant final relief at the hearing. [Patching v. Dubbins [(1853) Kay 1 : 69 ER 1] ; Child v. Douglas [(1854) 5 De GM&G 739 : 43 ER 1057] ; Johnson v. Wyatt [(1863) 2 De GJ&Sm 18 : 46 ER 281] ; Turner v. Mirfield [(1865) 34 Beav 390 : 55 ER 685] ; Hogg v. Scott [(1874) LR 18 Eq 444] ; Price v. Bala and Festiniog Rly. Co. [(1884) 50 LT 787]] The reason is that at the hearing of the cause it is the court's duty to decide upon the rights of the parties, and the dismissal of the action on the ground of acquiescence amounts to a decision that a



right which once existed is absolutely and for ever lost: Johnson v. Wyatt [(1863) 2 De GJ&Sm 18 : 46 ER 281] at 25; and see Gordon v. Cheltenham and Great Western Union Rly. Co. [(1842) 5 Beav 229, 233 : 49 ER 565] per Lord Langdale MR.”

30. *In Aktiebolaget Manus v. R.J. Fullwood & Bland, LD. [(1948) 55 RPC 329, 338] at pp. 338-39 it was held thus:*

“Apart from this point the case of Fullwood v. Fullwood [(1878) 9 Ch D 176 : 47 LJ Ch 459] shows that the injunction in a passing-off case is an injunction sought in aid of a legal right, and that the Court is bound to grant it if the legal right be established unless the delay be such that the Statute of Limitations would be a bar. That case apparently concerned some predecessors of the defendants. The delay was one of rather under two years and the relief sought was an injunction to restrain the use by the defendants of cards and wrappers calculated to induce the belief that his business was connected with the plaintiff. Fry, J., in the course of his judgment said this:

‘Now, assuming, as I will, for the purpose “of my decision, that in the early part of 1875 the plaintiff knew of all the material facts” which have been brought before me today, he commenced his action in November 1876. “In my opinion that delay, and it is simply delay, is not sufficient to deprive the plaintiff of” his rights. The right asserted by the plaintiff in this action is a legal right. He is, in “effect, asserting that the defendants are liable to an action for deceit”. It is not suggested in the defence that the delay here involves a question under or analogous to the period under the Statute. The defendants did suggest that there had been something



more than mere delay on the part of the plaintiffs, and that the plaintiffs had lain by and allowed the goodwill which the plaintiffs now propose to acquire, but this point was not seriously pressed. It was suggested that Mr Evans Bajker, the plaintiffs' solicitor, knew from 1941 onwards what the defendants were doing, but it is impossible to impute to a busy solicitor a knowledge which he could only acquire by seeing advertisements in local or farming papers advertising the defendants' activities. No direct information was afforded to him; on the contrary it will be remembered that when in 1942 he made enquiries on behalf of his clients information was studiously withheld from him. I conclude therefore that there has been no acquiescence to disentitle the plaintiff to relief.'"

31. *In Electrolux LD. v. Electrix [1954 RPC 23, 34] at pp. 32 and 33 it was held thus:*

"I now pass to the second question, that of acquiescence, and I confess at once that upon this matter I have felt no little sympathy for the defendants, and have been not a little envious of the good fortune which has attended the plaintiffs, though no doubt they may justly attribute it to the astuteness of their advisers; but, as has already been said, the defendants have traded openly and (as the Judge found) honestly, beyond any question, in the ordinary course and substantially under this name 'Electrix' for a very long period of time, since early 1930's. During that time, they have built up (I doubt not) a valuable goodwill associated with that name. If the possibility that the mark 'Electrolux' was infringed is out of the way, and if I disregard for the moment (as I do) the point taken by Mr Kenneth Johnstone that in any event for use of 'Electrolux' was a sufficient use for the purpose of Section 26(1) of 'Electrix' (seeing that the two marks were



associated). I have no doubt that if the plaintiff had challenged in the courts the right of the defendants to use 'Electrix' before they have effect to their decision to apply the word 'Electrux' to their cheaper model in lieu of 'Electrolux', they would in all probability have failed, because the defendants' motion to strike the word 'Electrux' off the Register would have succeeded, but the fact is that when the battle was joined, 'Electrux' was no longer vulnerable on that account, unless the defendants can establish that the use was not bona fide, a matter to which I shall come presently. It is, however, said that by the defendants that the plaintiffs have deprived themselves of their legal right or, at least, of any right to the equitable remedy of injunction.

Upon this matter, a great deal of learning has been referred to, and we have also had our attention drawn to a number of cases. The latter include the well-known statement in *Willmott v. Barber* [(1880) 15 Ch D 96 : 43 LT 95] by Fry, J. (as he then was) at p. 105. He said this: 'It has been said that the acquiescence which will deprive a man of his legal rights must amount to fraud, and in my view that is an abbreviated statement of a very true proposition. A man is not to be deprived of his legal rights unless he has acted in such a way as would 'make it fraudulent for him to set up those rights'. Let me pause here to say that I do not understand that, by the word 'fraudulent', the learned Judge was thereby indicating conduct which would amount to a common law tort of deceit. 'What, then, are the elements or requisites necessary to constitute fraud of that description?' In the first place 'the plaintiff must have made a mistake as to his legal rights'. Secondly, the plaintiff must 'have expended some money or must have done some act (not necessarily upon the defendant's land) on the faith of his mistaken



belief'. Thirdly, the defendant, the possessor of 'the legal right, must know of the existence of his own right which is inconsistent with 'the legal right, must know of the existence of his own right which is inconsistent with' the right claimed by the plaintiff. If he does not know of it he is in the same position 'as the plaintiff, and the doctrine of acquiescence is founded upon conduct with a knowledge' of your legal rights. Fourthly, the defendant, the possessor of the legal right, must know 'of the plaintiff's mistaken belief of his rights. If he does not, there is nothing which' calls upon him to assert his own rights. Lastly, the defendant, the possessor of the legal 'right, must have encouraged the plaintiff in his expenditure of money or in the other acts which he has done, either directly or by abstaining from asserting his legal right'. In reading that passage, it is perhaps necessary to note (because it makes it at first sight a little more difficult to follow) that the positions of plaintiff and defendant as they are usually met with are there transposed, and that one of the parties who is there spoken of as the plaintiff corresponds with the present case with the defendants, and vice versa."

32. Amritdhara Pharmacy v. Satyadeo Gupta [(1963) 2 SCR 484 : AIR 1963 SC 449] is a case where Halsbury was quoted with approval. However, on the facts of that case it was held that the plea of acquiescence had not been made out."

73. While judging the plea of acquiescence, this Court must also consider whether the adoption of the mark by the Appellants was *bona fide*. In considering the same, we may note that the Appellants had filed two applications seeking registration of its mark, claiming usage of the said mark since the year 2009. However, even in the Suit,



the earliest document of usage filed by the Appellants was of the year 2011. The Respondent's Mark had also been cited by the Registrar of the trade marks in its examination report. Even otherwise, it is inconceivable to say that the Appellants did not know of the existence and reputation of the Respondent, especially when it is dealing in the same goods as the Respondent, and in fact, has even claimed to have had *inter se* transactions with the Respondent.

74. Clearly, the adoption of a mark by the Appellants, similar to that of the Respondent, was *mala fide*. This opinion of ours, is fortified by a fanciful explanation given by the Appellants for the reason for the adoption of the Impugned Mark by it.

75. Therefore, any usage of the mark by the Appellants, merely due to the alleged delay in filing of the Suit by the respondent, cannot come to its aid.

76. We are also of the opinion that mere presences of certain invoices for the purchase and sale of rice between the Appellants and the Respondent, cannot in itself, satisfy the test for acquiescence. This Court, while rejecting a similar contention *qua* acquiescence in the case of *Make my Trip (India) Pvt. Ltd.* (supra), held as under:

20. Now, coming to the Defendant's plea regarding suppression of facts and acquiescence. Plaintiff has strongly refuted the Defendant's allegation qua suppression of facts in respect of the communications which have been placed on record. Plaintiff has explained that it is a large organization having over 3000 employees across India and in addition to these employees, it has a large franchise network which works independently of the Plaintiff company. It has further been cla-



rified that the communications relied upon by the Defendants were allegedly exchanged between the booking executives of the Plaintiff and the franchisees of the Plaintiff in the year 2011. Prima facie, it appears that such email communications were not exchanged with the management of the Plaintiff Company or any of its key managerial personnel who could be regarded as persons who ought to be aware of Defendant's existence. Although, for the sake of complete discovery, the Plaintiff should have placed on record all the communications exchanged between the parties including the franchisees, but failure to do so, cannot lead to assumption that there has been willful concealment on its part. This aspect would require trial, having regard to the nature of the Plaintiff's business which is based on a large network of booking executives, who are stated to be lowest rung employees. It is quite possible that such communications and correspondences were not known to any of the key managerial personnel of the Plaintiff Company. Further, as pointed out by the Plaintiff's counsel, some of the communications were exchanged with the email addresses `obt1.delhicp@makemytrip.in` and `dom1.delhicp@makemytrip.in`, which ids pertain to the franchisees and not the Plaintiff Company. Correspondences sent by the franchisees could possibly be not known to the key managerial personnel of the Plaintiff Company. It is also significant, as pointed out by Plaintiff's counsel, that the email communications exchanged between the automated response system and the officials of the Defendant Company are unnamed. Plaintiff's explanation regarding the bank statement of HDFC bank that the transactions reflected therein were completed by the franchisee and its knowledge cannot be attributed to the Plaintiff, appears to be plausible, keeping in mind its business model. Besides, Defendant has not placed on record any email commu-



nication exchanged with the management of the Plaintiff Company, or any of its key managerial personnel who ought to have been aware of Defendant's existence. Therefore, it is not a case where the Plaintiff can be held to be guilty of suppression of facts.

21. Significantly, it cannot go unnoticed that the adoption of the mark by the Defendants is without any cogent explanation, and it prima facie appears to be dishonest. It cannot be accepted that the Plaintiff has acquiesced the use of the infringing mark by the Defendant. The correspondence with the booking customer care executive of the Plaintiff who apparently did not have knowledge of the intellectual property rights of the Plaintiff, cannot be considered as positive acts of encouragement towards the Defendant to do business under Infringing/Impugned Marks.”

77. The Respondent, in the present case, has knowingly never encouraged or induced the Appellants to continue using the Impugned Mark. Moreover, it is not disputed that some of the *inter se* invoices placed on record have been issued by the Respondent in favour of the Appellant No.1, but the same are for the sale of ‘loose rice’ by the Respondent in favour of the Appellant and not under any trademark or brand name. The Sale of ‘loose rice’, in such a manner, will not tantamount to acquiescence on the part of the Respondent.

78. On the issue of abandonment, we find merit in the submission of the learned senior counsel for the Respondent that there should be an active intention to abandon the usage of the mark. In the present case, as noted hereinabove, the Respondent has been in continuous use of the mark, and even though it withdrew its application under



Class-30, the very next day filed a fresh application for the re-registration of the same, which clearly evidences an intent of not to abandon the said mark.

79. The learned senior counsel for the Appellants has also emphasised that the new application filed by the Respondent, seeking registration of its mark in Class-30, is on a '*proposed to be used*' basis. In our view, the same cannot act as an estoppel against the Respondent. As noted hereinabove, the Respondent has been able to establish the continuous use of the said mark since the year 2000.

80. The above discussion of facts, brings a *prima facie* conclusion that:

- a) the marks of the Appellants and Respondent are deceptively similar to each other;
- b) the Appellants and the Respondent deals in the same goods, therefore, the likelihood of confusion being caused is even greater;
- c) the adoption and use of the mark by the Appellants does not appear to be *bona fide*;
- d) the Respondent has neither abandoned the use of its mark nor has acquiesced the use of the Impugned Mark by the Appellants;
- e) the Respondent has been able to make out a case of infringement and passing off against the Appellants;
- f) the Respondent is likely to suffer grave irreparable injury in case an *ad interim* injunction is not granted in its favour;



and,

g) the balance of convenience is also in favour of the Respondent and against the Appellants.

81. This now brings us to the submission of the learned senior counsel for the Appellants that the learned District Judge does not have the territorial jurisdiction to adjudicate the Suit. We are afraid that, given the pleadings of the Respondent in the Suit, the said plea, cannot be accepted at this stage. It would be a matter of trial.

82. Keeping in view the above, we find no merit in the present appeal. The appeal, along with pending applications, is accordingly dismissed.

83. We, however, clarify that any or all observations made by us hereinabove are *prima facie* in nature and shall not, in any manner, influence the learned District Judge in adjudication of the said Suit.

84. The parties shall bear their own costs of the appeal.

NAVIN CHAWLA, J

SHALINDER KAUR, J

MAY 26, 2025/ss/rv/frk/VS

Click here to check corrigendum, if any