IN THE COURT OF SH. SUDESH KUMAR
DISTRICT JUDGE, COMMERCIAL COURT (DIGITAL)-04,
SOUTH DISTRICT, SAKET COURTS, NEW DELHI

DLST010111812022

CS (Comm) No. 03/2023

1. M/s R. H. AGRO OVERSEAS PVT. LTD.
Through its Managing Director and
Authorized Signatory
Mr. Sukhchain Kumar Chawla,
Address : A-7, South Extension Part-II,
First Floor, New Delhi-110 049.
E-mail : litigation@ssrana.com
Mobile No. : 9818202368

…..Plaintiff No.1

2. M/s R. H. AGRO OVERSEAS PVT. LTD.
Through its Authorized Signatory
Mr. Sukhchain Kumar Chawla,
Address : A-7, South Extension Part-II,
First Floor, New Delhi-110 049.
E-mail : litigation@ssrana.com
Mobile No. : 9818202368

…..Plaintiff No.2

VERSUS

1. SHRI DHIRAJ KUMAR
Proprietor of M/s Shree Om Sai Traders
Address : Kabirbagh, K.P. Lane, Gaya,
District Gaya-823001, Bihar.
Email : kumdh1766@gmail.com
great_trademark@rediffmail.com
Contract No. 930416011
Also at:
M/s Shree Om Sai Traders
Hatey Godown, Near Durga Mandir,
Police Station-Kotwali,

Gaya Sadar, Gaya-823001, Bihar.

…..Defendant No.1

2. JOHNDOE/ ASHOK KUMAR

…..Defendant No.2

Date of Institution of the case	:	**02.01.2023**
Date of conclusion of the final arguments	:	**16.10.2026**
Date of judgment	:	**30.10.2026**

JUDGMENT

1. The present commercial suit has been filed on behalf of the plaintiff under Section 27 to 29, 134 & 135 of the Trade Marks Act, 1999, and Section 51,55 & 62 of the Copyright Act, seeking a decree for permanent injunction against the Defendants for infringement of registered trade marks, infringement of copyright, passing off, unfair competition and dilution, along with damages and other consequential reliefs and for infringement of copyright, acts of unfair competition, dilution, damages and rendition of account.

2. It is submitted by the plaintiff No. 1 that it is a company duly incorporated under the Indian Companies Act, 1956, having its registered office at A-7, South Extension Part-11, New Delhi and Plaintiff No. 2 is a partnership firm comprising Mrs. Poonam Chawla and Mrs. Meena Rani, also operating from the aforesaid address. Mr. Sukhchain Kumar Chawla, Director of Plaintiff No. 1, has been duly authorised to institute the present suit on behalf of both Plaintiffs pursuant to the Board Resolution dated 09.12.2022 and Power of Attorney.

3. It is averred that Plaintiff No. 1 is engaged in the business of processing, marketing and exporting rice and other agricultural products and has been operating in the rice industry for several decades. The Plaintiff claims to have developed an extensive domestic and international market for its rice products and has adopted and marketed several brands, including NAFIS, DILSHAN, DAIVIK, ARDIK and others and the products of the plaintiff are sold in different varieties and packaging sizes and enjoy considerable goodwill and reputation in India as well as abroad. Plaintiff No. 1 honestly and bonafidely coined and adopted the trade mark NAFIS in December 2005 in respect of rice, cereals, ready-to-eat rice and other allied food products. The said mark was commercially used for the first time in April 2006 and has since been continuously and extensively used by the Plaintiffs. Plaintiff No. 1 has obtained registrations of the trade mark NAFIS and its variants in Classes 16, 30 and 31 under the Trade Marks Act, 1999. Plaintiff No. 1 is also the registered proprietor of the trade mark NAFIS in certain foreign jurisdictions, including Australia and Canada.

4. It is further averred that Plaintiffs are the owners of the copyright in the original artistic work comprising the NAFIS Basmati Rice logo and packaging, including the device depicting a bowl of cooked rice, registered under Copyright Registration No. A-78663/2007 dated 20.03.2007. It is averred that the Plaintiffs subsequently developed distinctive packaging for the Premium and Classic range of NAFIS Basmati Rice, incorporating a red and white colour combination and tamper-

proof features to protect the products against counterfeiting and unauthorised repackaging.

5. It is further averred that, by virtue of an assignment deed dated 18.01.2022, Plaintiff No. 1 assigned the trade mark NAFIS and its logo in favour of Plaintiff No. 2, who became the subsequent registered proprietor of the said trade mark. The Plaintiffs state that the products bearing the trade mark NAFIS have acquired substantial goodwill and reputation on account of their long-standing use, extensive sales, advertisements, participation in national and international trade fairs and promotional activities through print and electronic media.

6. It is averred that in the third week of March 2022, the Plaintiffs came to know through their trade mark attorney that Defendant No. 1, namely, Mr. Dhiraj Kumar, proprietor of M/s Shree Om Sai Traders, had filed Trade Mark Application No. 4657009 dated 15.09.2020 for registration of the mark NAFIS (device) BASMATI RICE in Class 30 in respect of rice, claiming user since 01.04.2019. The said application was published in Trade Marks Journal No. 2043 dated 14.03.2022. The mark adopted by Defendant No. 1 is identical and deceptively similar to the Plaintiffs' registered trade mark NAFIS and its variants and the impugned mark also substantially reproduces the plaintiffs' original artistic work and packaging, including the distinctive red and white colour combination, thereby infringing their registered trade mark as well as copyright in the artistic work of the product packaging.

7. It is further averred that the Defendant No. 1 filed a reply to the examination report dated 05.10.2022, claiming independent adoption and use of the impugned mark since 01.04.2019 and also filed an affidavit of use dated 14.10.2020, along with certain invoices pertaining to the years 2019-2020. It is stated that the stand taken by Defendant No. 1 before the Trade Marks Registry is contradictory and dishonest, particularly in view of the Plaintiffs' prior adoption, registration and continuous use of the mark NAFIS.

8. It is contended that the Trade Marks Registry, vide order dated 07.03.2022, directed advertisement of the Defendant No. 1's application subject to certain conditions, including restriction of the mark to the colours shown in the application and limitation of the goods/services to the State of Bihar. Thereafter, Plaintiff No. 2 filed a notice of opposition dated 07.07.2022 against the said application before the Trade Marks Registry, Kolkata. The said opposition proceedings are stated to be pending. It is also averred that Agricultural and Processed Food Products Export Development Authority (APEDA) opposed the Defendant No. 1's application on the ground of unauthorised use of the geographical indication 'BASMATI', pursuant to which Defendant No. 1 sought deletion of the word 'BASMATI' from its application.

9. It is averred that Defendant No. 1 is engaged in the business of packaging, marketing and selling counterfeit rice bags bearing the mark NAFIS and identical or substantially similar packaging from his premises situated at Kabirbagh, K.P. Lane, Gaya, District Gaya, Bihar-823001, and Hatey Godown,

Near Durga Mandir, Police Station Kotwali, Gaya Sadar, Gaya-823001, Bihar, and procuring counterfeit NAFIS packaging material and repackaging inferior-quality rice therein for sale in the market. The use of the identical trade mark and substantially similar packaging by the Defendants is likely to cause confusion and deception amongst consumers and members of the trade, who may mistakenly believe that the goods sold by the Defendants originate from, or are associated with the Plaintiffs and such acts amount to infringement of the Plaintiffs' registered trade marks under Section 29 of the Trade Marks Act, 1999, infringement of copyright under Section 51 of the Copyright Act, 1957, and passing off, apart from constituting unfair competition and dilution of the Plaintiffs' goodwill and reputation.

10. The Plaintiffs have instituted the present suit seeking a decree for permanent injunction restraining the Defendants from infringing the Plaintiffs' registered trade marks NAFIS, NAFIS (device) and NAFIS (label), passing off their goods and business as those of the Plaintiffs and infringing the copyright in the artistic work and packaging of NAFIS Basmati Rice. The Plaintiffs have also sought a decree for mandatory injunction directing delivery up of all infringing goods and materials for destruction, damages quantified at Rs.5,10,000/- along with interest at the rate of 18% per annum, rendition of accounts of profits, punitive damages and costs of the suit.

11. After filing of the present suit, the summons of the suit for settlement of issues were duly served upon the defendant. The defendant no. 1, in his written statement, has raised

preliminary objections regarding the maintainability of the suit on the grounds of absence of cause of action and territorial jurisdiction, non-compliance with Section 12A of the Commercial Courts Act, 2015, lack of locus standi of plaintiff no. 1, bar of jurisdiction under Sections 91 and 93 of the Trade Marks Act, 1999, and alleged non-use and invalidity of the plaintiffs' registered trademarks. The defendant has contended that no part of the cause of action has arisen within the territorial jurisdiction of this Court. It is submitted that the cause of action pleaded by the plaintiffs primarily relates to the publication of defendant no. 1's trademark application for 'NAFIS (Device)' and the subsequent opposition proceedings before the Trade Marks Registry at Kolkata, West Bengal. The defendant has denied selling counterfeit NAFIS Basmati Rice or using packaging identical or deceptively similar to that of the plaintiffs. It is further contended that the plaintiffs have neither specifically pleaded any instance of sale or passing off within the jurisdiction of this Court nor placed any documentary evidence to establish such activity. The defendant has also disputed the plaintiffs' claim of carrying on business throughout India and asserted that no material has been produced to establish continuous commercial use of the trademark after 2013.

12. The defendant has further contended that the suit is liable to be rejected for non-compliance with the mandatory requirement of pre-institution mediation under Section 12A of the Commercial Courts Act, 2015. It is submitted that the plaintiffs' application seeking exemption from such requirement

has not been decided and that summons were issued without first determining whether the case involved genuine urgency warranting exemption. In support, reliance has been placed upon Patil Automation Private Limited & Ors. v. Rakheja Engineers Private Limited, decided on 28.08.2022. It has been emphasized that, according to the plaintiffs' own pleadings, they acquired knowledge of the defendant's trademark application in the third week of March 2022, filed opposition on 07.07.2022, and were aware of the defendant's counter-statement dated 18.08.2022 and examination proceedings in October 2022. Despite such knowledge, the suit was instituted only in December 2022. It is, therefore, contended that the delay of approximately nine months has not been satisfactorily explained and that the plaintiffs have failed to demonstrate any real urgency justifying dispensation with pre-institution mediation.

13. The defendant has also challenged the locus standi of plaintiff no. 1 on the ground that it assigned the trademark NAFIS in favour of plaintiff no. 2 through an assignment deed dated 18.01.2022. Since plaintiff no. 2 claims to be the subsequent registered proprietor and alone initiated opposition proceedings against defendant no. 1's trademark application, it is contended that plaintiff no. 1 has no independent cause of action to maintain the present infringement proceedings and is liable to be deleted from the array of parties.

14. With regard to the proceedings before the Trade Marks Registry, the defendant has contended that any challenge to the order dated 07.03.2022, whereby his trademark application was

accepted for advertisement subject to territorial limitation permitting its use in Bihar, lies before the statutory appellate forum under Section 91 of the Trade Marks Act, 1999. It is stated that in view of Section 93 of the Act, the Civil Court cannot adjudicate upon matters falling within the exclusive statutory jurisdiction of the prescribed forum. According to the defendant, the plaintiffs, despite having knowledge of the said order since March 2022, failed to pursue the appropriate statutory remedy and cannot indirectly challenge its validity through the present suit.

15. On merits, the main defence of the defendant is that the plaintiffs have not been commercially using the trademark NAFIS for rice since 2013. It is contended that the invoices and promotional material filed by the plaintiffs relate substantially to the period between 2007 and May 2013, and no subsequent sales invoices, turnover figures, advertisement expenditure or other documents have been produced to establish continuous use. The defendant has relied upon the audited financial statements of plaintiff no. 1 filed with the Registrar of Companies to allege discontinuance of its rice business. It is further asserted that the physical possession of plaintiff no. 1's factory and manufacturing facilities at Sonepat was taken over by the State Bank of India and consortium banks under the SARFAESI Act in May 2015, followed by auction of the properties in September 2016. The alleged cancellation of its GST registration in 2019 has also been relied upon in this regard. On these grounds, the defendant contends that the plaintiffs have abandoned commercial use of the trademark and that their registrations are liable to removal

under Section 47 of the Trade Marks Act, 1999, for non-use during the statutory period. The defendant has also disputed the distinctiveness of the word NAFIS, contending that it is a common Urdu/Arabic dictionary expression meaning 'pure', 'excellent', 'precious' or 'refined' and is descriptive of the quality or characteristics of goods. It is, therefore, argued that the expression is incapable of conferring an exclusive monopoly upon the plaintiffs under Section 9(1) of the Trade Marks Act, 1999, particularly in the absence of evidence establishing acquired distinctiveness or secondary meaning.

16. The Defendant has also disputed the plaintiffs' claim of copyright in the artistic work and packaging of NAFIS Basmati Rice. It is contended that a similar device mark containing the expression 'Basmati' had earlier been opposed before the Trade Marks Registry and subsequently abandoned. The defendant alleges suppression of these proceedings and disputes the plaintiffs' claim of exclusive rights in the artistic work and trade dress.

17. As regards his own adoption, the defendant has pleaded that he is carrying on business through his proprietorship concern, Shree Om Sai Traders, at Gaya, Bihar, and adopted the mark NAFIS in April 2019 in good faith, keeping in view the demand for basmati rice. He claims that the product acquired popularity in the local market between 2019 and 2022. He has denied knowledge of any subsisting business or goodwill of the plaintiffs in Bihar and maintained that his trademark application was accepted for advertisement by the Registrar, subject to territorial limitation. He has further asserted that his mark and

label are distinct when considered as a whole, including their artistic features and accompanying tagline.

18. The defendant has categorically denied allegations of counterfeiting, trademark infringement and passing off. He has denied using the plaintiffs' packaging, artwork or trade dress, or selling inferior-quality rice by misrepresenting it as the plaintiffs' product. It is contended that the plaintiffs have not produced any specific instance of deceptive sale, customer confusion or misrepresentation attributable to him.

19. The defendant has further stated that following the opposition proceedings, he conceived a revised trade dress in December 2022 for the proposed future use of his NAFIS rice product. However, no final order for manufacture of the packaging was placed. He claims that upon service of the interim injunction through the Court-appointed Local Commissioner on 28.01.2023, he discontinued business under the mark NAFIS. The proposed revised packaging has been relied upon to demonstrate his intention to adopt a different trade presentation.

20. Accordingly, the defendant has sought dismissal of the suit with punitive costs, asserting that the plaintiffs have failed to establish a subsisting right, territorial cause of action, continuous use of the trademark or any actionable infringement or passing off by defendant no. 1.

21. Replication to the written statement of the defendant was also filed on behalf of the plaintiff, wherein, the contents of the Written Statement were denied and contents of the plaint were re-affirmed and reiterated, as correct.

22. After completion of pleadings, the first case management

hearing was conducted on 10.07.2023 and from the pleadings of the parties, the following issues were framed, as under:

(i) Whether the plaintiff is entitled to the relief prayed ? OPP

(ii) Relief, if any.

23. During trial, the plaintiff has examined PW-1 Sh.Sukhchain Kumar Chawla, Managing Director and AR of plaintiff No.1 and PW-2 Sh. Anuj Garg, sole proprietor of A.K. Agro Foods licensee of plaintiff No.2. The defendant has examined Sh. Dhiraj Kumar, proprietor of M/s Shree Om Sai Traders as DW-1.

PARTICULARS OF DOCUMENTS AND EXHIBIT NUMBERS

S. No.	Particulars of Documents produced by Plaintiff	Exhibit No.
1.	Certificate of Incorporation of Plaintiff No. 1 company (OSR).	Ex. PW-1/1
2.	Status page of Plaintiff no. 1 Company from the website of Ministry of Corporate Affairs (print out on Court record).	Ex. PW-1/2
3.	Board Resolution dated 09.12.2022 Executed by Plaintiff No.1 Company in favour of Mr. Sukhchain Kumar Chawla, PW-1 (OSR).	Ex. PW-1/3
4.	Partnership deed dated 01.11.2021 executed between Mrs. Poonam Chawla and Mrs. Meena Rani, Partners of Plaintiff No. 2 firm (OSR)	Ex. PW-1/4
5.	Power of Attorney dated 08.05.2023 executed by partners of plaintiff No. 2 firm in favour of Mr. Sukhchain Kumar Chawla PW-1 (Original on Court Record).	Ex. PW-1/5
6.	Status page of Plaintiff no. 1's registered trade marks NAFIS along with copies of their registration certificates and renewal letter (OSR, LPC for trade mark registration no. 1418768 and 1418808). Status page of Plaintiff no. 1's registered trade marks no. 2306439, 2306442, 2306443, 2306444, 2306447 and 2306448 for the mark NAFIS (Page nos. 50-79).	Ex. PW-1/6 Mark PW-1/6-A
7.	Fee receipt dated 03.01.2023 for applying the legal proceedings certificates for registration nos. 1418768, 1418808, 2306443,	Ex. PW-1/7

S. No.	Particulars of Documents produced by Plaintiff	Exhibit No.
	2306444 and 2306448 (print out on Court's Record).	
8.	Certificate of registration for trade mark no. 1270503 for the mark NAFIS BASMATI RICE (Device) issued by Registrar of Trade Marks Australia Government, IP Office (OSR). Status page of registration for trade mark no. 1270503 for the mark NAFIS BASMATI RICE (Device) issued by Registrar of Trade Marks Australia Government, IP Office (print out on Court's Record).	Ex. PW-1/8 Mark PW-1/8-A
9.	Certificate of registration for trade mark no. 1454910 for the mark NAFIS BASMATI RICE (Device) issued by Registrar of Trade Marks Canada Government, IP Office (OSR). Status page of registration for trade mark no. 1454910 for the mark NAFIS BASMATI RICE (Device) issued by Registrar of Trade Marks Canada Government, IP Office (print out on Court's Record).	Ex. PW-1/9 Mark PW-1/9-A
10.	Copyright Registration Certificate no. A-78663/2007, dated 20.03.2007 for artistic work "NAFIS BASMATI RICE WITH DEVICE OF BOWL OF COOKED RICE" (OSR).	Ex. PW-1/10
11.	Print outs of Magazines/Newspapers from the years 2007-2012 featuring the plaintiffs' brand NAFIS (OSR).	Ex. PW-1/11 (colly)
12.	Print out of Whois search record of the domain <rhagro.com> (Part of court record page no. 116-118).	Ex. PW-1/12
13.	Print out of pages from Plaintiff no.1's website www.rhagro.com (Part of Court record page no. 119).	Ex. PW-1/13
14.	Print out of Plaintiff no. 1's product listing on trade website (part of Courts record Page no. 120-136).	Ex. PW-1/14 (colly)(Being photocopy, now marked as Mark PW-1/14)
15.	Print out of Plaintiff no. 1's product listing on third party websites (part of Courts record Page no. 137-157).	Ex. PW-1/15 (colly) (Being) photocopy, now marked as Mark PW-1/15)
16.	Print out of orders passed by Ld. Trade marks registry in opposition proceedings, in favour of the plaintiffs' registered Mark NAFIS (part of Courts Record Page nos. 158-163).	Ex. PW-1/16 (colly)(Being photocopy, now marked as Mark PW-1/16)

S. No.	Particulars of Documents produced by Plaintiff	Exhibit No.
17.	Print out of orders passed by Hon'ble Delhi High Court in injunction suits, in favour of the plaintiffs' registered Mark NAFIS (part of Courts Record Page nos. 164-178).	Ex. PW-1/17 (colly) (Being photocopy, now marked as Mark PW-1/17)
18.	Invoices issued by plaintiff no. 1 company to various third party dealers (OSR) (page no. 31-45).	Ex. PW-1/18 (Colly)
19.	Authority letter dated 05.01.2015 issued by plaintiff no. 1 company in favor of 'Shree Balaji Agro Foods' (OSR).	Ex. PW-1/19
20.	Invoices from the years 2017-2022 issued by the entity Shree Balaji Agro Foods to third party dealers (OSR) (page no. 15-122 filed as part of additional document dated 08.05.2023).	Ex. PW-1/20 (Colly)
21.	Assignment Deed dated 18.01.2022 executed by plaintiff no. 1 company in favor of plaintiff no. 2 firm (OSR) (page no. 80-90)	Ex. PW-1/21
22.	Authority letter dated 02.02.2022 issued by plaintiff no. 2 firm in favor of A.K. Agro Foods (OSR) (Page no. 7-8 filed as part of additional document dated 08.05.2023).	Ex. PW-1/22
23.	Invoices from the years 2022-2023 issued by the entity A.K. Agro Foods to third party dealers (OSR) (page no. 123-151 filed as part of additional document dated 08.05.2023).	Ex. PW-1/23 (colly)
24.	Print out of status page of defendant no. 1 application no. 4657009 dated 15.09.2020 for the mark NAFIS (device) in class 30 with Journal page (Page no. 179-182).	Ex. PW-1/24 (Being photocopy, now marked as Mark PW-1/24)
25.	Examination report dated 04.10.2020 issued by Ld. Trade marks examiner, in defendant no. 1's application no. 4657009.	Ex. PW-1/25 (Being photocopy, now marked as Mark PW-1/25)
26.	Reply to the examination report dated 05.10.2020 filed by defendant no. 1 in his application no. 4657009, before the Ld. Trade Mark Registry (page no. 185-188).	Ex. PW-1/26 (Being photocopy, now marked as Mark PW-1/26)
27.	Affidavit dated 14.10.2020 filed by the defendant no. 1 in application no. 4657009, along with 3 invoices, before the Ld. Trade Mark Registry (Page no. 189-193).	Ex. PW-1/27 (Being photocopy, now marked as

S. No.	Particulars of Documents produced by Plaintiff	Exhibit No.
		Mark PW-1/27)
28.	Order dated 07.03.2022 passed by Ld. Examiner of the trade mark in defendant no. 1's application no. 4657009 (page no. 194).	Ex. PW-1/28 (Being photocopy, now marked as Mark PW-1/28)
29.	Notice of opposition dated 01.07.2022 filed by the plaintiff no. 2 against defendant no. 1 application no. 4657009 (Page no. 195-219).	Ex. PW-1/29 (Being photocopy, now marked as Mark PW-1/29)
30.	Counter statement dated 19.08.2022 filed by defendant no. 1 in his application no. 4657009 (page nos. 220-237).	Ex. PW-1/30 (Being photocopy, now marked as Mark PW-1/30)
31.	Evidence by way of affidavit dated 08.11.2022 filed by plaintiff no. 2 against defendant no.1's application no. 4657009 before the Ld. Trade Mark Registry (page nos. 238-279).	Ex. PW-1/31 (Being photocopy, now marked as Mark PW-1/31)
32.	Print out of covering letter dated 07.07.2022 issued by Ld. Trade Mark Registry for notice of opposition filed by APEDA (Agricultural and Processed Food Products Export Development Authority) (page no. 280-281).	Ex. PW-1/32 (Being photocopy, now marked as Mark PW-1/32)
33.	TM-M dated 01.09.2022 filed under Rule 37 by defendant no. 1 seeking amendment of its Trade mark application no. 4657009 (page no. 282-285).	Ex. PW-1/33 (Being photocopy, now marked as Mark PW-1/33)
34.	Original-Photographs of defendant no. 1 mark NAFIS (original Photographs on Courts Record, Page no. 289).	Ex. PW-1/34
35.	Defendant no. 1 GST Registration no.	Ex. PW-1/35

24. PW-2 Sh. Anuj Garg s/o Sh. Anil Kumar Garg is the sole proprietor of M/s A.K. Agro Foods, which is the licensee of plaintiff No.2 w.e.f. 02.02.2022. He has proved his GST registration certificate as Ex.PW2/1 (already marked as

Ex.PW1/DY7). He has also proved the GST registration certificate of Shree Balaji Agro Foods as Ex.PW2/2 (already marked as Ex.PW1/DY6).

25. The defendant has examined himself as DW-1 and filed his evidence affidavit Ex.DW1/A. He has proved the extract of page of Urdu-Hindi-English dictionary showing meaning of 'NAFIS', as Ex.DW1/1 (OSR).

26. After completion of trial, final arguments were addressed by Ms. Rima Majum and Ms. Debleena Dutta, Ld. Counsels for plaintiff and Sh. T.K. Tiwari, Ld. Counsel for defendant. During the course of arguments, Ld. Counsel for plaintiff has argued on the lines of his plaint & also submitted that the plaintiffs are the registered proprietors of the word and device marks NAFIS in Class 30 in respect of rice, and that the registrations are valid and subsisting. Plaintiff No.1 assigned the trade marks to Plaintiff No.2 vide assignment deed dated 18.01.2022, which was subsequently recorded by the Trade Marks Registry. It is submitted that Defendant No.1 had adopted the identical mark NAFIS for identical goods without the plaintiffs' consent, despite having knowledge of the plaintiffs' prior registrations. It is asserted that their rights in the mark continued through authorised licensees, namely 'Shri Balaji Agro Foods and A.K. Agro Foods', and relied upon the relevant authority letter, licence agreement and invoices to establish use of the mark. He has further argued that the suit was duly instituted and that the acts of Shri Chawla stood ratified by the subsequent power of attorney. This Court has territorial jurisdiction under Section 134(2) of the

Trade Marks Act, 1999, as they carry on business in Delhi. It is argued that closure of the manufacturing unit did not amount to abandonment, as the mark continued to be used through licensees, and that the subsisting registrations could not be challenged on the ground of non-use without appropriate rectification proceedings. The plaintiffs denied that NAFIS was descriptive or devoid of distinctiveness and submitted that Defendant No.1, having himself claimed the mark to be distinctive before the Trade Marks Registry, could not take a contrary stand. Accordingly, the plaintiffs prayed for a decree of permanent injunction restraining Defendant No.1 from using the identical or deceptively similar mark NAFIS, along with damages and costs. Ld. Counsel for the plaintiff has also filed certain judgments in support of his contentions.

27. On the other hand, Ld. Counsel for defendant has contended that the plaintiffs had failed to establish continuous use, goodwill and reputation in the mark NAFIS, particularly in view of the closure of Plaintiff No.1's manufacturing unit in 2014, auction of its factory and absence of supporting business records for the intervening period. He has argued that the plaintiffs could not claim exclusivity over expressions such as 'NAFIS Basmati Rice Premium' or 'Super', as these composite expressions were neither registered nor independently proved to have been used. It is contended that the plaintiffs have failed to establish the alleged goodwill and distinctiveness necessary to sustain a claim of passing off. The defendant also challenged the territorial jurisdiction of this Court in respect of the relief of

passing off, contending that Section 134(2) of the Trade Marks Act, 1999 applies only to infringement and matters relating to registered trade marks and does not extend to passing off actions. The defendant reiterated that neither any sale nor any act of passing off took place in Delhi and that mere receipt of information regarding publication of the trade mark application or purchase of loose rice from Delhi could not constitute a cause of action. Reliance is placed upon Dabur India Ltd. v. K.R. Industries and Indian Performing Rights Society Ltd. v. Sanjay Dalia to contend that jurisdiction for the passing off claim cannot be derived merely from the plaintiffs' place of business. He has prayed for dismissal of the present suit. Ld. Counsel for the defendant has also filed certain judgments in support of his contentions.

28. I have heard the arguments addressed by the Ld. Counsels for the parties. I have also perused the written arguments filed on behalf of the parties and the judgments cited by them in support of their contentions. My issue wise findings are as under :

(i) Whether the plaintiff is entitled to the relief prayed ? OPP

29. In the present suit, it is admitted and not in dispute that the plaintiff's hold registrations of the word mark NAFIS in Class 30 (no. 1418808, LPC Ex.PW-1/6 colly) and of the NAFIS device mark in Class 30 (no. 2306443, LPC Ex.PW-1/37). The later device marks were applied for on 27.03.2012 and registered in November 2016. Plaintiff No.1 assigned its marks to Plaintiff No.2 by deed dated 18.01.2022 (Ex.PW-1/21). The suit was filed

in December 2022, and the Registry recorded the assignment only on 20.10.2023. It is also admitted that Defendant No.1 applied on 15.09.2020 to register the identical word NAFIS in Class 30 for rice (application no. 4657009). The Registry's examination report dated 05.10.2020 cited the plaintiffs' marks. The application was accepted on 07.03.2022 for the State of Bihar only (Ex.PW-1/28), was advertised in March 2022 and has been opposed by the plaintiffs. In support of it Defendant No.1 filed an affidavit dated 19.10.2020 (Ex.PW-1/27) filed before trade marks registry claiming extensive use and publicity of NAFIS throughout India. In his evidence, however, he says that he sells rice under the name NAFIS in Gaya and nearby towns, and has offered it in Bihar only. It is further admitted that NAFIS is an Urdu/Arabic word meaning excellent, pure or precious (dictionary Ex.DW-1/1). PW-1 accepted that the plaintiffs did not coin the word and that no court has declared it a well-known mark. Further, the record reflects that the factory of Plaintiff No.1 closed in October 2014 and was later auctioned by the bank in DRT proceedings. The plaintiffs do not say that they manufactured rice themselves after that. Their case is that the mark was used through licensees: Shri Balaji Agro Foods under an authority letter dated 05.01.2015 (Ex.PW-1/19), with invoices for the period 2017 to 2022 (Ex.PW-1/20 colly), and A.K. Agro Foods under a licence agreement dated 02.02.2022 (Ex.PW-1/22), with invoices of 2022–23 (Ex.PW-1/23 colly). Earlier invoices of 2012–13 are (Ex.PW-1/18 colly). No invoices for 2014, 2015 and 2016 are on record.

30. On issue that Shri Chawla, who is not a partner of Plaintiff No.2, signed and filed the suit for the firm without authority, and that a power of attorney was taken on 08.05.2023 only after the objection was raised, the record shows a notarised and stamped power of attorney dated 08.05.2023 (Ex.PW-1/5) which expressly ratifies all acts done by Shri Chawla in filing and conducting the suit. After the firm was reconstituted, a fresh power of attorney dated 25.11.2024 (Ex.PW-1/DY5) again ratified his past acts. For Plaintiff No.1, he holds a board resolution dated 09.12.2022 (Ex.PW-1/3). The ratification here is clear. Further, the witness was not cross-examined on the power of attorney, and the defendant, on whom the onus lay, led no evidence to support his stand. It is further objected by the defendant that Plaintiff No.1 lost all rights on assigning the marks on 18.01.2022, and that the plaintiffs cannot plead both, the assignment took effect from that date and that Plaintiff No.1 is a necessary party simultaneously. I see no contradiction. On the date of filing, the assignment had not been recorded and Plaintiff No.1 was still shown in the Register as the registered proprietor. Plaintiff No.2 held the deed of assignment and has since been recorded as proprietor on 20.10.2023. The plaintiffs also say that the copyright in the NAFIS label stood with Plaintiff No.1 when the suit was filed. As both the assignor and the assignee were before the court, defendant is not prejudiced.

31. Now on the objection regarding territorial jurisdiction, as per Section 134(2) of the Act, the suit can be filed where the plaintiff carries on business, and the plaintiffs' office is in Delhi;

the defendant's own document (Ex.PW-1/DY-6) also shows the licensee Shri Balaji Agro Foods at Naya Bazar, Delhi. It is submitted by defendant that for Passing off remedy law is different as Section 134(2) gives the additional forum only for clauses (a) and (b) of Section 134(1), and not for clause (c), which is passing off. Therefore, a claim of passing off must satisfy Section 20 of CPC. In reply to this, the plaintiffs have submitted that part of the cause of action arose in Delhi because Defendant No.1, in his affidavit before the Registry (Ex.PW-1/27), claimed use of NAFIS throughout India, which includes Delhi. In view of the above, this court is of the view that part of cause of action also arose in Delhi and thus, this court has territorial jurisdiction to try the present suit.

32. On merits, the defendant's case is that the rice business of the plaintiffs stopped after May 2013, that there was no use of the mark for over five years, and therefore, the mark should be treated as abandoned under Section 47. It is also submitted that the license documents cannot be believed. These objections hold no merit in a suit for infringement. Non-use for the statutory period is a ground for removal of a mark from the Register, which has to be sought by a proper application before the competent forum. The defendant has filed none, and the registrations stand. Further, abandonment requires an intention to give up the mark and is not to be inferred from a closure or a temporary stoppage of business, as the plaintiffs have pointed out from Hardy Trading Ltd. v. Addisons Paint (AIR 2003 SC 3377).

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(L). It is clear that the word use in Section 46(1) may encompass actions other than actual sale.

46. The error committed by the three for a below starting with the Joint Registrar was to read the intention to abandon as being limited to the special circumstances of the trade as if there could be no intention to abandon unless there were such special circumstances. Sub-section 3 to Section 46 says that the applicant can rely only on the non-use unless it is shown by the registered owner to be due to special circumstances in the trade and not to any intention either to abandon or not to use the trade mark. There is a distinction between the intention to abandon which is part of the 'no bonafide use in relation to those goods', in Sub-section (1) of Section 46 which gives a cause for removal of the trademark and the intention to use under Sub-section (3) of Section 46 provides a special defence to the registered proprietor and is inferred from the existence of special circumstances.

47. That the proprietor's intention to abandon the trademarks is a necessary component of their non user justifying their removal, was recognized as early as 1884 by Chitty, J. in the case of Mouson & Co. v. Boehm 26 Ch.D. 398. In that case, the owner of the trade mark, Boehm had adopted a trade mark for a particular kind of soap. The soap was manufactured and sent to the United Kingdom in large qualities for about two years. In the next six years, the "manufacture and sale of soap thus marked fell off until it practically ceased and the existence of the particular mark was forgotten" by Boehm. The same mark was registered in the U.K. in respect of soaps by Mouson & Co. Boehm sued Mouson & Co. inter-alia to restrain the infringement of his trade mark and for removal of the trade mark from the Register. Mouson's defence was that Boehm had abandoned the trade marks. In negativing this, Chitty, J. held:

"Mr. Boehm retained that mark, he did not break up the moulds according to the practice which he stated he adopted when he intend to give up any particular mark. He did not even erase the trade-mark from his books, and there were persons in the market who got the goods from him who were endeavouring to effect sales, and he by sending over those price lists to the number of 1200 during the years spoken to was himself endeavouring to effect sales..m.

Here it appears to me there was no absolute non-user for any sufficient time, taken in connection with all the circumstances, to

show an intention to abandon.....
The trade-mark was not of very great value to him (and on that I will make an observation presently), still I think it was his trade-mark before, and he has not lost it by abandonment."

33. The defendant's further dispute the invoices, It is objected that the same are not backed by ledgers, GST returns, e-way bills, FSSAI licences or a processing unit. It is submitted that the plaintiff to prove his claim, failed to examine any of the partners of Plaintiff No.2 or proprietor of A.K. Agro Foods. Further, the defendant argues that the plaintiff have shown no use of their marks in Classes 16 and 31. The main defence is that NAFIS is a descriptive word without distinctive character under Section 9(1), that marks like NAFEES, NAFAIS and NAFIZA stand on the Register in Class 30, that the plaintiffs let their own NAFEES application lapse, and that the word is not coined. Reliance is placed on Jain Riceland Pvt. Ltd. v. Sagar Overseas (2017 DHC 6450) on the word SWAD, and on Marico Ltd. v. Agro Tech Foods (2010) on Section 30(2)(a). Lastly, the defendant says the plaintiffs came with unclean hands because they hid the closure of the factory, the DRT proceedings, criminal cases against their director and loss of reputation.

34. From material on record, these submissions raised on behalf of the defendant does not stand strong and there is no gap in plaintiff proving his case. The objection that the invoices are not supported by ledgers, GST returns, e-way bills, FSSAI licences or proof of a processing unit does not hold as the invoices were produced and proved. There is nothing in the

cross-examination that shows them to be false, and in support of his contention the defendant has never cared to summon the licensees or the tax authorities, FSSAI registration, moreover, is a food-safety licence that has nothing to do with ownership of a mark. Further, no adverse inference can be drawn from the non-examination of the partners of Plaintiff No.2 or the proprietor of A.K. Agro Foods, since PW-2 deposed under a power of attorney dated 22.02.2023 (Ex.PW-2/D1). The suit rests on the Class 30 registrations covering rice, and use in other classes matters only for a well-known mark, which the plaintiff does not claim. Further, the Legal Proceeding Certificate of both marks under class 30 is on record. (Ex.PW-1/6 and Ex.PW-1/37). Further, the plea that NAFIS is descriptive under Section 9(1) is also rejected as the defendant firstly himself applied to register the same word for rice and told the Registry, that NAFIS is a coined, distinctive and well-known mark, so on the principle in Automatic Electric v. R.K. Dhawan (1999) he cannot now call it descriptive. Further, it is observed that at most, the word 'NAFIS' is laudatory or suggestive and therefore registrable as it is used in a descriptive sense. Further, NAFIS neither names rice nor describes its quality, unlike SWAD which denoted taste and observations made in Marico Ltd. v. Agro Tech Foods does not help the defendant. The presence of the marks NAFEES, NAFAIS and NAFIZA in the market, and their mere presence on the Register does not dilute the plaintiffs' rights. Finally, the arguments on approaching with unclean hands fails as the plaintiffs disclosed in the plaint that manufacture, packaging and marketing had been outsourced to licensees. The factory closure, DRT proceedings

and criminal cases are more than ten years old, are not pleaded in the written statement in the manner now argued, and form the subject of no issue. At best they show the financial difficulties of Plaintiff No.1, which do not amount to abandonment and are immaterial to infringement by identical use on identical goods. It is rather the defendant who adopted the plaintiffs' registered word in 2020 and persisted with it even after the Registry cited the plaintiffs' marks against him in October 2020, which is not the conduct of an innocent user. I therefore hold that Plaintiff No.1 was the registered proprietor of NAFIS in Class 30 on the date of filing and Plaintiff No.2 is its present registered proprietor; that the registrations are valid and subsisting; and that Defendant No.1 is using an identical mark on identical goods without their consent, and has infringed the registered trade marks of the plaintiffs.

35. In the result, the suit is decreed on the claim of infringement. A decree for permanent injunction is passed in favour of the plaintiffs and against Defendant No.1, restraining him, his agents, distributors, representatives and all persons acting on his behalf from manufacturing, selling, offering for sale, advertising or in any manner dealing in rice or allied goods under the mark NAFIS or any other mark identical with or deceptively similar to the plaintiffs' registered trade mark NAFIS.

36. No evidence on profits or damages has been noticed. Further, there is no material in the Local Commissioner’s report to assess any claim for compensatory damages. Thus, the same is dismissed.

Costs of the suit are awarded in favour of the plaintiff and against the defendant.

Decree sheet be prepared accordingly.

File be consigned to the record room after due compliance.

Announced in the open Court on
this 30th Day of October, 2026

SUDESH KUMAR
District Judge,
Commercial Court (Digital)-04,
South District, Saket, Delhi