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

\+ FAO (COMM) 159/2024, CM APPLs. 45709/2024, 45710/2024 & 45711/2024

KEDAR NATH MISHRA .....Appellant

Through: Mr. Vikas Khera, Ms. Sneha Sethia, Mr. Rohit Yadav and Mr. Jatin Gautam, Advs.

versus

INVISION MEDI SCIENCES PVT. LTD. .....Respondent

Through: Mr. Shantanu Sood and Mr. Shekhar Sri Prakash, Advs.

\+ FAO (COMM) 160/2024, CM APPLs. 45737/2024, 45738/2024 & 45739/2024

KEDAR NATH MISHRA .....Appellant

Through: Mr. Vikas Khera, Ms. Sneha Sethia, Mr. Rohit Yadav and Mr. Jatin Gautam, Advs.

versus

INVISION MEDI SCIENCES PVT. LTD. .....Respondent

Through: Mr. Shantanu Sood and Mr. Shekhar Sri Prakash, Advs.

CORAM:
HON'BLE MR. JUSTICE C. HARI SHANKAR
HON'BLE MR. JUSTICE OM PRAKASH SHUKLA

JUDGMENT (ORAL)

% 13.01.2026

OM PRAKASH SHUKLA, J.

Introduction

1. The present appeals have been filed under Section 13 of the Commercial Courts Act, 2015, read with Order XLIII Rule 1(r) of the Code of Civil Procedure, 1908[1], assailing the impugned order dated 07.06.2024[2] passed by the learned District Judge (Commercial Court-01), South, Saket, Delhi in CS (COMM) 702/2022. The aforementioned suit was filed by the appellant ("plaintiffs" before the Trial Court) against the respondent ("defendant" before the Trial Court) seeking, *inter alia,* a decree of permanent injunction to restrain the alleged trademark infringement and passing off, along with delivery up, damages and other consequential reliefs.

2. By the impugned order dated 07.06.2024, passed in CS (COMM) 702/2022, the learned Commercial Court disposed of the applications under Order XXXIX Rule 1 and 2 CPC filed by the appellant as well as an interim application filed by the respondent in its counter-claim for issuance of ad-interim injunction, and application under Section 124 (2) of the Trade Marks Act, 1999[3]. An application under Section 340 Code of Criminal Procedure[4] application filed by the appellant was kept pending. Thus, FAO (COMM.) No. 160/2024 came to be filed by Kedar Nath Mishra ("appellant" herein), challenging the dismissal of its application under Order XXXIX Rule 1 and 2 of the CPC in CS (COMM) No. 702/2022, whereas FAO (Comm.) No. 159/2024 has

[1] "CPC" hereinafter
[2] "Impugned order" hereinafter
[3] "Trade Marks Act" hereinafter
[4] "CrPC" hereinafter

been filed by the appellant assailing the grant of injunction against him on the application under Order XXXIX Rules 1 and 2 of the CPC filed by Invision Medi Sciences Private Limited ("respondent" herein) in the counterclaim filed by the respondent in the aforesaid suit.

3. Mr. Vikas Khera, learned Counsel for the appellant, at the very outset, points out that he is assailing the impugned order only to the extent, that it has granted an interim injunction in favour of the respondent and against the appellant, and, therefore, the present *lis* is restricted to the challenge against the injunction granted on the respondent's application in the counter-claim.

Factual Matrix

4. It has been averred that the appellant is engaged in the business of marketing, selling and distribution of pharmaceutical and medicinal preparations under the mark "**BONERICH**" since 29.08.2011. It was further averred that by virtue of the continuous and uninterrupted use of the mark "**BONERICH**", the mark has, over a period of time, acquired distinctiveness and has come to denote and identify the pharmaceutical products originating exclusively from the appellant.

5. In order to obtain statutory protection, it is claimed that the appellant initially applied for registration of the said mark "**BONERICH**" under Class 5 on 18.09.2013. However, the said application was refused due to non-appearance at the hearing in respect of the objections raised by the Trademarks Registry under Sections 9 and 11 of the Trade Marks Act. In consequence, a fresh application for

registration was filed on 05.12.2018, pursuant to which the appellant secured registration for the mark "**BONERICH**" under Class 5 on 08.02.2021. Both applications were filed claiming prior use since 29.08.2011.

6. Respondent is also dealing in the business of marketing and trading of pharmaceutical and medicinal products under the mark "**BONRICH**". It is the case of the respondent that it is an old, established and reputed company incorporated on 22.02.2011 and engaged in the business of pharmaceuticals, allopathic, ayurvedic, homoeopathic medicines etc.

7. Against the aforementioned backdrop, the appellant stated that it first became aware of the respondent's use of the mark "**BONRICH**" on 29.07.2021, when the respondent filed Application No. 5064847 for registration of the said mark in Class 5, claiming use since 18.11.2011. The appellant, thereafter, also noticed the respondent's pharmaceutical products in the market. According to the appellant, the respondent's mark "**BONRICH**" is identical and deceptively similar to its registered trademark "**BONERICH**" in respect of identical pharmaceutical goods.

8. Therefore, the appellant instituted a suit before the learned Commercial Court seeking a decree of permanent injunction restraining the respondent from using the mark "**BONRICH**" or any other mark deceptively similar to "**BONERICH**", along with the reliefs of delivery-up, damages, and other consequential reliefs.

9. Upon service of summons on 12.01.2023 in the aforesaid suit, the

respondent filed its written statement, denying the appellant's averments and alleging suppression and misrepresentation regarding the adoption and use of the mark "**BONERICH**" by the appellant. The respondent also filed a counter-claim bearing CS (COMM) No. 79/ 2023 along with the application under Order XXXIX Rule 1 and 2 of the CPC.

10. The respondent pleaded that it was incorporated on 22.02.2011 for the purpose of carrying on the business of pharmaceutical products. It was further asserted by the respondent's that, in terms of its Memorandum of Association[5] dated 10.02.2011, the respondent company had been formed to take over the running business of the sole proprietorship of Mr. Mukesh Kumar, carried on in the name of "Invision Medi Sciences".

11. It has been further stated that Mr. Mukesh Kumar, the promoter and director of the respondent, had adopted and used the mark "**BONRICH**" in relation to pharmaceutical and medicinal products since 2007 through his proprietorship firm, Marx Remedies/Invision Medi Sciences. Upon incorporation in the year 2011, it was stated that the entire business of the proprietorship, together with all rights, goodwill and liabilities, stood transferred to the respondent. On this footing, it was asserted that the respondent has been continuously using the mark "**BONRICH**" since 2007, which is prior to the appellant's claimed adoption of 29.08.2011, and therefore, they enjoy prior rights in the mark, entitling it to protection against an infringement action

[5] "MoA" hereinafter

under Section 34 of the Trade Marks Act and simultaneously to maintain a claim for passing off against the appellant.

12. It was further pleaded that the respondent applied for registration of the mark "**BONRICH**" on 29.07.2021 under Application No. 5064847, initially claiming user from 18.11.2011. This was stated to be an inadvertent error, which was sought to be corrected by an amendment application filed on 18.01.2023 in Form TM-M, revising the claimed date of first use to 31.12.2007. It was also stated that, since the earlier use related to the period during which the mark was used by Mr. Mukesh Kumar as proprietor of Marx Remedies, a confirmatory Assignment Deed dated 14.01.2023 in that regard was executed in favour of the respondent to formally record the transfer of rights in the mark "**BONRICH**".

13. Accordingly, based on its plea of prior use and its asserted goodwill and reputation, the respondent, by way of counterclaim, sought a decree of permanent injunction in an action for passing off, seeking restraining the appellant from using the mark "**BONERICH**" or any other mark identical or deceptively similar to "**BONRICH**", along with the reliefs of damages, delivery up, rendition of accounts and costs.

Impugned Order

14. By the impugned order dated 07.06.2024, the learned Commercial Court considered the applications filed by both parties under Order XXXIX Rule 1 and 2 of the CPC, the respondent's

application under Section 124 of the Trade Marks Act**,** and the appellant's application under Section 340 of the CrPC**.**

15. The learned Commercial Court allowed the respondent's interim injunction filed in the counter-claim and restrained the appellant from using the mark "**BONERICH**" or any other mark deceptively similar to "**BONRICH**", while dismissing the appellant's application for an injunction.

16. In arriving at its finding, the learned Commercial Court first examined the rival claims of prior use and held that the respondent had placed extensive documentary material on record to establish continuous use of the mark "**BONRICH**" since 2007 through its predecessor and thereafter by the respondent from 2011 onwards. The material relied upon included VAT registrations, licences, stock registers, invoices, Chartered Accountant[6]'s certificates and the Local Commissioner's report, which were found to reflect sales of approximately Rs. 25.73 lakhs during 2007–2011 and Rs. 1.05 crores from 2011–2022, along with pan-India distribution of the respondent's products.

17. The learned Commercial Court, thereafter, considered the appellant's claim of use of the mark "**BONERICH**" from 29.08.2011, supported by invoices and its registration dated 08.02.2021, but observed that the appellant's sales were comparatively lower and confined to limited geographical areas.

[6] "CA" hereinafter

18. On this comparative assessment, the learned Commercial Court *prima facie* held that, notwithstanding the appellant's registration, the respondent is the prior user of "**BONRICH**", and that the marks "**BONERICH**" and "**BONRICH**" were deceptively similar, and therefore, concurrent use of both the marks is likely to cause confusion in the minds of the consumers.

19. Proceeding on this basis, the learned Commercial Court concluded that the respondent had established a *prima facie* case, the balance of convenience lies in its favour, and irreparable injury would be caused if the appellant were allowed to continue using the mark "**BONERICH**". Accordingly, the appellant was restrained from using "**BONERICH**" or any deceptively similar mark during the pendency of the suit. The paragraph capturing the above mentioned findings is reproduced:

> "36. The mark being used by both the parties establish likelihood of deceptive and confusing similarity of the plaintiff's mark with that of the defendant/counter claimant and same can have the effect of causing confusion in the minds of innocent purchasers. Significantly the defendant/counter claimant is the prior user. Unwary purchasers which include each and every section of society are bound to be deceived while dealing with and purchasing the plaintiff's products under the impugned trademarks/label under the impression that they are emanating from the defendant's source or that some strong and vital links exist between plaintiff and the defendant. Possibility of defendant suffering losses and damages, both in business and reputation cannot be ruled out. Such losses and damages are unliquidated as loss of reputation is incapable of exact and accurate assessment. Thus, in view of the above facts and circumstances and after perusing all the documents on record, this Court is of the considered view that use of the impugned trademark by the plaintiff in similar kind of activities can give an impression that it belongs to same person or company and there is every likelihood of confusion in the mind of the present and future

customers, as they are identical. Resultantly, the defendant/counter claimant has been able to make out a strong prima facie case in its favour for grant of interim injunction. The balance of convenience also tilts in favour of the defendant and against the plaintiff. The defendant /counter claimant shall suffer an irreparable loss, which cannot be compensated in monetary terms, if the confusion in the minds of unwary customers is continued by plaintiff's use of impugned trademark/label and reputation of the defendant/counter claimant is adversely effected. Accordingly, the plaintiff by itself as also through its agents, representatives, distributors, assigns, heirs, successors, stockists and all others acting for an on its behalf from using, selling, soliciting, manufacturing, marketing, enquiring, importing, exporting, displaying, advertising physically or through social networking websites or through its or by any other mode or manner dealing in or using the impugned trademark/label 'BONERICH' or any other deceptively similar mark/label to the defendant's trademark/label, in relation to the impugned goods and business and and related/allied goods and from doing any other acts or deeds amounting to or likely to passing off its goods as that of the defendant/counter claimant till the final disposal of the present suit. The application U/o 39 Rule 1 and 2 CPC filed on behalf of the defendant/counter claimant stands allowed and the application under order 39 Rule 1 & 2 CPC filed by plaintiff stands dismissed. Nothing stated herein above, however, shall tantamount to any expression on the merits of the case."

20. The learned Commercial Court further held that, in view of its *prima facie* finding in favour of the respondent on prior user, the respondent's plea regarding the invalidity of the appellant's registration was also *prima facie* tenable.

21. Accordingly, the respondent was granted a period of three months to initiate rectification proceedings under Section 124 of the Trade Marks Act. However, the appellant's application under Section 340 of the CrPC, alleging fabrication of the Assignment Deed dated 14.01.2023, CA certificates and false statements, was kept pending on the ground that such allegations required evidence and could be adjudicated only at the stage of trial.

Rival Contentions before this Court

22. Submissions on behalf of the Appellant

22.1 Mr. Vikas Khera, learned Counsel for the appellant, contends that they had honestly adopted and commenced use of the mark "**BONERICH**" on 29.08.2011, and that such use has been continuous and commercial, as reflected from the invoices on record. It is submitted that the prior use since 29.08.2011 had been consistently asserted in its trademark applications of 2013 and 2018, which culminated in registration on 08.02.2021, thereby demonstrating a *bona fide* and independent adoption of the mark, and not a later-stage fabrication or a reaction to the respondent's claim.

22.2 It is further submitted that the respondent had applied for registration of the mark "**BONRICH**" only on 29.07.2021 *vide* Application No. 5064847, claiming user from 18.11.2011, which was subsequent to the appellant's adoption of the mark on 29.08.2011. Therefore, it was contended that the respondent was not a prior user of the mark.

22.3 It is further pointed out that only pursuant to receipt of summons in the present suit on 12.01.2023, the respondent had executed a purported Assignment Deed dated 14.01.2023, allegedly transferring rights in the mark "**BONRICH**" along with goodwill. It is submitted that prior to 12.01.2023, there was neither any Assignment Deed nor any application for amendment of the respondent's user claim, and that

the said Assignment Deed was brought into existence only to make a false claim of prior rights during the pendency of the litigation.

22.4 A further challenge is made to the respondent's reliance on Marx Remedies as a source of alleged prior use, contending that the respondent had taken mutually destructive stands by pleadings in its written statements that Marx Remedies was not in existence, while simultaneously relying upon it as the assignor of the trademark "**BONRICH**". It is contended that a non-existent and non-using entity cannot assign any rights or goodwill in an unregistered mark, thereby rendering the Assignment Deed dated 14.01.2023 legally untenable.

22.5 It is also contended that the learned Commercial Court had travelled beyond the pleadings in holding that Marx Remedies was still in existence and that the Assignment Deed was unnecessary, even though the respondent's entire claim to the mark was founded on that assignment from Marx Remedies to the respondent, and therefore, the Court erred in reconstructing or substituting the respondent's pleaded case to sustain the grant of the injunction which is impermissible in law.

22.6 It is also submitted that the respondent has no lawful basis to claim goodwill or proprietary rights in the mark "**BONRICH**", since the respondent's own MoA dated 10.02.2011 records the takeover only of Invision Medi Sciences, and not of Marx Remedies, which was the entity that allegedly used the mark from 31.12.2007 to 07.01.2010. Therefore, no goodwill of Marx Remedies could have vested in the respondent, and the learned Commercial Court erred in relying upon the MoA to presume that trademark rights in the mark "**BONRICH**" stood

conferred upon the respondent, when in fact no such transfer of rights or goodwill was ever effected.

22.7 It is further pointed out that an application under Section 340 of the CrPC challenging the Assignment Deed dated 14.01.2023 and the respondent's user claims are pending, yet the learned Commercial Court has restrained the appellant on the strength of those very disputed documents, thereby causing grave and irreparable prejudice to the appellant.

22.8 It is also contended that the impugned order is non-speaking and legally unsustainable, as it grants an injunction without recording any finding on the essential ingredients of a passing off action, particularly goodwill and reputation to be proved in favour of the respondent from 2007 to 2011, and proceeded solely on the basis that the respondent is the prior user and the mark "**BONRICH**" and "**BONERICH**" is deceptively similar and can cause likelihood of confusion in the minds of the consumer.

23. Submissions on behalf of the Respondent

23.1 Mr. Shantanu Sood, learned Counsel for the respondent, contends that the appellant is seeking a re-appreciation of evidence and substitution of the learned Commercial Court's discretion, which is beyond the limited scope of appellate review. It is submitted that the impugned order is based on a detailed consideration of the material on record, including invoices, sales figures, website archives, stock registers and the Local Commissioner's report, and does not suffer from

arbitrariness, perversity or any legal infirmity warranting interference of this Court.

23.2 It is further contended that the respondent is the prior and continuous user of the mark "**BONRICH**" since 2007 through a single source, initially through its predecessor and thereafter by the respondent company from 2011 onwards, and that such prior user rights prevail over the appellant's subsequent registration of the mark "**BONERICH**" in 2021. Therefore, it is argued that the appellant's statutory registration cannot override the respondent's prior common-law rights arising from long, continuous and *bona fide* commercial use.

23.3 Learned Counsel for the respondent rebuts the allegation that the Assignment Deed dated 14.01.2023 is fabricated and submits that it was validly executed by the proprietor of Marx Remedies, the owner and user of the mark "**BONRICH**", to formally record the transfer of rights to the respondent. It is contended that the deed merely perfected an existing arrangement under which the respondent had been using the mark since 2011, and that its timing does not affect its validity, as it only confirms the respondent's right to assert the mark against third parties.

23.4 It is further submitted that the application under Section 340 of the CrPC raises issues which can be adjudicated only at the stage of trial, and that the learned Commercial Court was justified in granting interim protection on the basis that the respondent had *prima facie* established the essential ingredients of a passing off action.

23.5 Upon being questioned about the absence of a specific finding on goodwill and reputation in the impugned order, learned Counsel for the respondent relied on paragraphs 19 and 20 of the impugned order to contend that the learned Commercial Court had taken note of the respondent's sales figures, invoices and pan-India presence of the mark "**BONRICH**" since 2007. It was submitted that the recording of sales of Rs. 25.73 lakhs between 2007–2011 and over Rs. 1.05 crores thereafter, together with the geographical spread of sales, sufficiently demonstrates market presence and reputation, and that a finding on goodwill must therefore be treated as implicit, even if not expressly recorded.

Reasons and findings

24. We have heard the learned Counsels for both parties and perused the material on record.

25. At the outset, we may begin by noting that this court is conscious that the appeal arising from an order passed under Order XXXIX Rule 1 and 2 of the CPC is an appeal on principle.

26. In the teeth of ***Wander Ltd. v. Antox India (P) Ltd***[7]**,** this court is aware that it cannot substitute its own view merely because another view is possible, and that interference is warranted only where the discretion has been exercised arbitrarily, capriciously, perversely, or in disregard of settled legal principles governing interim relief.

[7] **1990 Supp SCC 727**

27. Being cognisant of this settled position**,** we are of the view that the appellant has made out a case for interference as the impugned order suffers from a fundamental error on principle of law for the reasons and findings set out below.

28. On the aspect of infringement, we find that the appellant has secured registration for the mark "**BONERICH**" under Class 5 on 08.02.2021. Accordingly, at best, the claim of passing off can be made against the appellant.

29. Therefore, we deem it relevant to understand the ingredients of passing off to understand the correctness of the impugned order.

30. In this regard, we begin by noting that passing off is a common law remedy intended to protect the goodwill and reputation of a trader against misrepresentation by another, which causes or is likely to cause confusion in the minds of the consumers. Unlike trademark infringement, which is a statutory remedy available only in respect of registered marks, an action for passing off is available even in respect of unregistered marks, provided the plaintiff can establish (i) the existence of goodwill or reputation in the mark, (ii) misrepresentation made by the defendant, and (iii) a likelihood of damage to the plaintiff's goodwill.

31. Therefore, the existence of goodwill and reputation attached to the mark is the *sine qua non* for a passing off action, as also affirmed by the Hon'ble Supreme Court in ***Pernod Ricard India Private Limited***

& Anr. v Karanveer Singh Chhabra[8].

32. The same view has, time and again, been reiterated by this Court as well as by the Hon'ble Supreme Court. Therefore, to avoid prolixity, we may refer only to the decision of this Court in ***FDC Ltd. v. Faraway Foods (P) Ltd***[9]., wherein this Court, speaking through one of us (C. Hari Shankar, J.), observed as follows on the subject of the ingredients of passing off. This Court, following the judgments of the Apex Court in ***Wockhardt Ltd. v. Torrent Pharmaceuticals Ltd***.[10] and ***Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd***.[11], held as follows:

> "75. (i) Passing off, though an action based on deceit, does not require the establishment of fraud as a necessary element to sustain the action. Imitation or adoption, by the defendant, of the plaintiff's trade mark, in such manner as to cause confusion or deception in the mind of prospective customers, is sufficient.
>
> (ii) The principles for grant of injunction, in passing off actions, are the same as those which govern the grant of injunctions in other cases i.e. the existence of a prima facie case, the balance of convenience, and the likelihood of irreparable loss in issuing to the plaintiff, were injunction not to be granted.
>
> (iii) Proof of actual damage is not necessary, to establish passing off. However, proof of Misrepresentation is necessary, even if intent to misrepresent is not approved. The question of intent may, nevertheless, be relevant, when it comes to the ultimate relief to be granted to the plaintiff.
>
> (iv) Passing off may be alleged by a claimant who owns sufficient proprietary interest in the goodwill associated with the product, which is really likely to be damaged by the alleged misrepresentation.
>
> (v) Grant of injunction, in cases where passing off is found to exist, is intended to serve two purposes, the first being preservation of the

[8] **2025 INSC 981**
[9] **2021 SCC OnLine Del 1539**
[10] **(2018) 18 SCC 346**
[11] **(2001) 5 SCC 73**

reputation of the plaintiff, and the second, safeguarding of the public against goods which are passed off as those of the plaintiff.

(vi) The ingredients/indicia of the tort of passing off are the following:

(a) There must be sale, by the defendant, of goods/services in a manner which is likely to deceive the public into thinking that the goods/services are those of the plaintiff.

(b) The plaintiff is not required to prove long user to prove established reputation. The existence, or otherwise, of reputation, would depend upon the volume of the plaintiff's sales and the extent of its advertisement.

(c) The plaintiff is required to establish:

(i) Misrepresentation by the defendant to the public, though not necessarily mala fide;

(ii) Likelihood of confusion in the minds of the public (the public being the potential customers/users of the product) that the goods of the defendant are those of the plaintiff, applying the test of a person of "imperfect recollection and ordinary memory."

(iii) Loss, or likelihood of loss.

(iv) **Goodwill of the plaintiff, as a prior user.** Elsewhere, the five elements of passing off have been identified as: (a) misrepresentation; (b) made by the trader in the course of trade; (c) to prospective customers or ultimate consumers of the 0goods or services supplied by him; (d) calculated to injure the business or goodwill of another (i.e. that such injury is reasonably foreseeable); and (e) actual damage, or the possibility of actual damage, to the business or goodwill of the plaintiff.

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(x) Passing off differs from infringement. Passing off is based on the goodwill that the trader has in his name, whereas infringement is based on the trader's proprietary right in the name, registered in his favour. Passing off is an action for deceit, involving passing off the goods of one person as those of another, whereas an action for infringement is a statutory remedy conferred on the registered proprietor of a registered trade mark for vindication of its exclusive right to use the trade mark in relation to the goods in respect of which

> registration has been granted. Use of the trade mark by the defendant is not necessary for infringement, but it is a sine qua non for passing off. Once sufficient similarity, as is likely to deceive, is shown, infringement stands established. Passing off, however, may be resisted on the ground of added material, such as packing, procurement through different trade channels, etc. which would distinguish the goods of the defendant from those of the plaintiff and belie the possibility of confusion or deception."

33. Thus, in view of the aforesaid settled legal framework, we shall analyse the impugned order.

34. Since, the respondent's counterclaim was founded on passing off, there is no doubt that the learned Commercial Court was required to examine whether the respondent had established the three essential elements of that cause of action, namely: (i) goodwill or reputation in the mark "**BONRICH**", (ii) misrepresentation by the appellant, and (iii) likelihood of damage, in addition to prior use.

35. A careful perusal of the impugned order demonstrates that the learned Commercial Court granted an interim injunction restraining the appellant and all persons acting on its behalf from dealing in pharmaceutical products under the mark "**BONERICH**", primarily on the basis that the respondent was the prior user of the mark "**BONRICH**".

36. We find that in arriving at this conclusion, the learned Commercial Court, after examining the material placed on record, concluded that the respondent had established continuous prior use of the mark "**BONRICH**" since 2007 through its predecessor, and thereafter its own right from 2011 onwards.

37. Further, the learned Commercial Court also came to conclude that the marks "**BONRICH**" and "**BONERICH**" are deceptively similar and are being used in respect of identical pharmaceutical products, thereby giving rise to a likelihood of confusion in the minds of the consumers.

38. However, the point that pricks the conscious of our mind is that, even if we are to accept the finding of the learned Commercial Court regarding the respondent's prior use of the trademark "**BONRICH**" since 2007, and proceed on the assumption that the respondent's claim in that regard is correct, we find that the impugned order does not record any specific finding as to the existence of goodwill or reputation to be proved in favour of the respondent or its predecessor-in-interest in respect of the mark "**BONRICH**" for the period prior to the 29.08.2011, when the appellant admittedly adopted the mark "**BONERICH**".

39. The judgments in ***Toyota Jidosha Kabushiki Kaisha v. Prius Auto Industries Ltd.***[12] and ***Pernod Ricard (supra)*** clarify that, to succeed in a claim of passing off, the plaintiff must demonstrate accumulation of the requisite degree of goodwill and reputation by it, in the asserted mark, prior to the adoption of the mark by the defendant.

40. Therefore, we find it relevant to emphasise that passing off action is not founded merely on priority of adoption, but on the existence of protectable goodwill and reputation in the mark at the time when the

[12] **(2018) 2 SCC 1**

rival enters the market. Only a trader who has, prior to the adoption by the subsequent user, built up goodwill in the mark is entitled to restrain such later user, even if the later user holds a statutory registration.

41. Prior use, by itself, may operate as a defence under Section 34 of the Trade Marks Act, in an action for infringement. However, the right to maintain an action for passing off arises only upon proof of goodwill and reputation attached to the mark.

42. In our view, in the absence of an affirmative finding that such goodwill existed in favour of the respondent prior to 29.08.2011, a claim for passing off cannot be sustained.

43. On being enquired about the findings on goodwill and reputation of the respondent's mark, learned Counsel for the respondent placed reliance on paragraphs 19 and 20 of the impugned order reproduced below, as well as on the material collected by the Local Commissioner. Further, it was also contended that the learned Commercial Court in addition also considered invoices, CA certificates and evidence of sales and geographical spread, from which the finding of goodwill and reputation in the mark "**BONRICH**" could be established. We, in this regard, find ourselves compelled to quote paragraph 19 and 20 of the impugned order, which *inter alia* states:

> "*19. Defendant has placed on record invoices and other documents to establish its claim of prior user since the year 2007 by its predecessor-in-interest i.e. the proprietorship firm and later on by defendant w.e.f. 2011. Copies of VAT Registration Certificate, Licenses and renewals issued in favour of Mr. Mukesh Kumar and later on in favour of Defendant were placed on record. Defendant*

relied upon Certificate issued by CA certifying the sales figures of BONRICH by proprietorship firm of Mr. Mukesh Kumar from 2007-2008 to 2010-2011 dated 20.01.2023 as well as certifying the sales figures of BONRICH by defendant from 2011-2012 to 2021-2022 dated 20.01.2023. Copies of invoices issued by defendant's claimed predecessor Marx Remedies for BONRICH products w.e.f. year 2007 till 07.01.2010 and copies of invoices issued by defendant for BONRICH products from 24.02.2010 to 07.01.2023 were also placed on record. Photocopies of some invoices alongwith computer generated invoices issued by manufacturer namely COSMAS PHARMACLS of claimed predecessor of defendant as well as defendant for BONRICH products from 2007 to 2020 were also placed on record. Printout of Stock Register of Defendant's claimed predecessor and Defendant from 01.10.2007 to 19.01.2023 with regard to manufacture and sale of BONRICH products was placed on record.

20. In terms of Certificate issued by Chartered Accountant, sales figures for BONRICH from 2007-2008 to 2010-2011 were Rs. 25,73,072/-. For the years 2011-2012, till the year 2021-2022, sales figures were Rs. 1,05,36,401/-. Invoices placed on record reflect the sales pertaining to year 2007 onwards in Madhya Pradesh, Maharashtra, Bangalore, Guwahati, Goa, Jodhpur, Mumbai, Kerala, Haryana, U.P., Jharkhand etc., substantiating the contention of Ld. counsel for defendant with regard to Pan India presence of products of defendant."

44. Upon a plain reading of the aforesaid paragraphs, it is clear that the learned Commercial Court merely took note of the documents produced and recorded the figures reflected therein, including sales of about Rs. 25.73 lakhs for the period 2007–2011 and higher figures thereafter.

45. We find that the impugned order goes no further than cataloguing the documents placed on record. The learned commercial court does not analyse whether, and in what manner, such figures translated into the acquisition of goodwill or reputation in the market for the mark "**BONRICH**" in Class 05 during the relevant period.

46. Additionally, the learned Commercial Court did not undertake the necessary inquiry to determine whether the respondent had, in fact, acquired such goodwill and reputation in the mark prior to the appellant's adoption before granting an injunction.

47. Therefore, even if the respondent's sales figures and documents are taken at face value, in the absence of a specific finding by the learned Commercial Court that such material demonstrated goodwill and reputation in the mark "**BONRICH**" in favour of the respondent before 29.08.2011, the foundational requirement for sustaining a claim of passing off remains unfulfilled.

48. Thus, in the absence of any *prima facie* findings on goodwill or reputation as held in ***Pernod Ricard (supra)***, we deem it appropriate to interfere in the present case because we feel that the impugned order erred on the established principle of law, while granting an injunction in favour of the respondent.

49. Accordingly, the view adopted by the learned Commercial Court is erroneous when tested on the anvil of the aforesaid established jurisprudence of granting a stay in a passing off suit. We have no doubt in our mind that the error made on principle needs to be corrected. Thus, the impugned order deserves interference and the application of the respondent filed with its counterclaim seeking an interlocutory injunction is dismissed.

50. The impugned order, to the extent it grants an interim injunction in favour of the respondent and against the appellant, is hereby quashed

and set aside.

51. The appeals are partly allowed to the aforesaid extent.

52. We hereby clarify that the observations made hereinabove are *prima facie* in nature and shall not in any manner influence the trial.

OM PRAKASH SHUKLA, J.

C.HARI SHANKAR, J.

JANUARY 13, 2026*/rjd/***pa**