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

Reserved on : 6 May 2025
Pronounced on : 13 May 2025

\+ FAO(OS) (COMM) 140/2024 & CM APPL. 38801/2024

ABROS SPORTS INTERNATIONAL PVT. LTD. ....Appellant
Through: Mr. Ranjan Narula, Mr. Shakti Priyan Nair and Mr. Parth Bajaj, Advs.

versus

ASHISH BANSAL AND ORS .....Respondents
Through: Mr. Sanchay Mehrotra, Adv.

CORAM:
HON'BLE MR. JUSTICE C. HARI SHANKAR
HON'BLE MR. JUSTICE AJAY DIGPAUL

JUDGMENT

% 13.05.2025

C. HARI SHANKAR, J.

1. By judgment dated 2 May 2024, a learned Single Judge of this Court has dismissed IA 16555/2022 filed by the appellant Abros Sports International Pvt. Ltd.[1] under Order XXXIX Rules 1 and 2 of the Code of Civil Procedure, 1908[2] in CS (Comm) 702/2022[3]. Aggrieved thereby, ASIPL has filed the present appeal.

[1] "ASIPL", hereinafter
[2] "CPC", hereinafter
[3] **Abros Sports International Private Limited v Ashish Bansal and Ors.**

The Impugned Judgment

2. Case setup by ASIPL before the learned Single Judge

2.1 ASIPL contended that, by use of the mark NEBROS, the respondents Ashish Bansal and others were infringing the ASIPL's registered trademark ABROS and were also passing off their goods as the goods of ASIPL.

2.2 The case was predicated on the following factual assertions.

(i) ASIPL was incorporated on 14 February 2020, and used the trade name ABROS. The business of ASIPL, under the said trademark, was carried out by a proprietorship of Anil Sharma. Anil Sharma have conceived and adopted the ABROS mark in March 2017. ABROS was a portmanteau of 'A', the first letter of the first name of Anil Sharma and 'BROS', as the business was run by Anil Sharma with his brothers. By assignment deed dated 15 January 2021, Anil Sharma assigned all rights in the trademark ABROS to ASIPL.

(ii) Resultantly, ASIPL was the proprietor of the following trademarks, registered under the Trade Marks Act, 1999[4]:

[4] "the Trade Marks Act", hereinafter

Trade Mark	Reg. No.	Regn. Date	Class/ Goods/Services	Valid until
	3500818	March 3, 2017	Class 25: Footwear and sole for footwear.	March 3, 2027
	4384712	December 20, 2019	Class 25: Footwear and sole for footwear	December 20, 2029
	4384713	December 20, 2019	Class 25: Footwear and sole for footwear	December 20, 2029
	4384714	December 20, 2019	Class 35: Import, export, wholesale, retail marketing and online trading e-commerce of footwear and sole for footwear	December 20, 2029
	4384716	December 20, 2019	Class 35: Import, export, wholesale, retail, marketing and online trading e-commerce of footwear and sole for footwear	December 20, 2029
	4736618	November 7, 2020	Class 28: Gymnastic and sporting articles not included in other classes, equipment for various sports and games	November 7, 2030
	5235275	December 6, 2021	Class 28: Games, toys and playthings, video game apparatus, gymnastic and sporting articles, decorations for Christmas trees.	December 6, 2031

(iii) Under the mark ABROS, ASIPL was manufacturing shoes and soles. It was also operating under the domain name www.abrosshoes.com since June 2018. The net sales of ASIPL

using the mark ABROS, which vouchsafe its reputation in the market, were ₹ 7,84,51,193.05 for the year 2020 and ₹ 2,16,45,97,734.00 for the year 2021.

(iv) Similarly, the expenses incurred by ASIPL in advertising and promoting the brand ABROS, for the years 2020-21 were ₹ 35,12,536 for the year 2020 and ₹ 3,37,69,402.84 for the year 2021.

(v) Respondent 1 was using the mark NEBROS for identical products, i.e., footwear, sold in the same ₹ 1500- ₹ 2000 price range.

(vi) Respondent 1 was also the proprietor of a registration, under the Trade Marks Act, for the mark NEBROS, in respect of clothing and footwear with effect from 25 September 2019. Respondent 1 had applied for registration of the said mark on "proposed to be used" basis.

(vii) Respondent 2 used to produce footwear, using the NEBROS trademark for Respondent 1. Respondents 3 to 6 were traders, who used to trade in goods bearing the infringing NEBROS mark. As such, the main respondents were Respondents 1 and 2, principally Respondent 1.

(viii) ASIPL's domain name www.abrosshoes.com was registered on 18 June 2020, and that the invoices appended by ASIPL with its plaint indicated that it was selling goods using

the ABROS mark since 2021. Though the Respondent 1 was also the proprietor of a registration in respect of the mark NEBROS, the registration of the appellant's mark ABROS, though as a device mark, dated back to 3 March 2017, which was prior to the date of registration of Respondent 1's NEBROS trademark. As such, the appellant had priority of registration of the mark ABROS, *vis-à-vis* the registration of the mark NEBROS in favour of Respondent 1.

(ix) In para 23 of the plaint, it was specifically alleged thus:

> "23. The registration of the impugned mark NEBROS was wrongly granted and is prima facie invalid being a mark deceptively similar to the Plaintiffs trade mark ABROS. The publication of the Defendant No. 1's impugned trade mark application in the Trade Mark Journal escaped the attention of the Plaintiff due to inadvertent oversight and thus an opposition was not filed. In any case, the Registrar of Trade Marks should not have permitted the registration of the impugned mark NEBROS on the following grounds:
>
> > a. Section 57: The Plaintiff is a "person aggrieved" within the meaning of Section 57 of the Trade Marks Act, 1999 (hereinafter referred to as "the Act") as its rights are being affected by existence of the impugned mark NEBROS on the register due to close similarity with ABROS marks and identical/similar goods. Therefore, the impugned registration is without sufficient cause and is an entry wrongly remaining on the Register which is liable to be cancelled under Section 57(2) of the Act.
> >
> > b. Section 9(1)(a) and 32: Being in the same trade and industry, it is incomprehensible that the Defendants were unaware of the prior use, registrations, goodwill and reputation of the ABROS trade marks. The impugned mark, therefore, cannot qualify for protection as a trade mark as the trade members. and public would

invariably associate the same with the Plaintiff Before commencement of the present proceedings, the impugned mark NEBROS was not distinctive of the Defendants' goods. The impugned registration therefore ought to be cancelled under Sections 9(l)(a) and 32 of the Act.

c. Sections 9(2)(a) and 11(1)(b): The Plaintiff is the prior adopter; user and registered proprietor of the ABROS trade marks in classes 25, 28 and 35. The registration and use of the impugned mark NEBROS is bound to cause confusion and deception and create the minds of trade members and consumers that Defendants' goods belong to or are associated with the Plaintiff which is not the case. Therefore, the impugned registration is liable to be removed under Sections 9(2)(a) and 11(l)(b) of the Act.

d. Section 11(2): Given the well-known nature of ABROS trade marks, if the registration of the impugned mark NEBROS is allowed to remain on the Register, it would take unfair advantage of and be detrimental to distinctive character and repute of the ABROS trade marks. Therefore, registration of the impugned mark is contrary to Section 11(2) of the Act.

e. Section 11(3)(a): The adoption of deceptively similar impugned mark for identical/similar goods is bound to pass off the Defendants' goods for those of the Plaintiff. Thus, the impugned registration is contrary to Section 11(3)(a) of the Act.

f. Section 11(4): The Plaintiff, being the registered proprietor of the prior ABROS trade marks, has not consented to the adoption, use or registration of the impugned mark. Thus, the said registration is liable to be cancelled under Section 11(4) of the Act.

g. Section 11(10): The registration of the impugned mark NEBROS has been obtained by misrepresentation. Being in the same trade and industry, the Defendants were fully aware of the well-known ABROS trade marks and have no justification for adoption of the impugned mark

except done in bad faith to misappropriate the goodwill therein. Thus, the impugned registration is contrary to Section 11(l0) of the Act.

h. Section 12: Since the adoption of the impugned mark is tainted from its inception, the use of the same subsequent to filing of the application is void ab initio. Under the circumstances, no amount of use can render the adoption of the impugned mark to be honest. Thus, the registration of the impugned mark contravenes Section 12 of the Act and deserves to be expunged from the Register.

i. Sections 18(1) and (4): Under Section 18(1) of the Act, only a proprietor of it trade mark can apply for registration. The Defendant No. 1 cannot claim to be a bona fide proprietor of the impugned mark NEBROS due to the aforesaid reasons. The adoption of the impugned mark was illegitimate and has continued to be illegitimate and unlawful, which is in violation of the Plaintiff s rights and also affects public interest. The existence of the impugned registration on the Register affects its purity and sanctity thus contravening the very intent for which the Act was promulgated. The impugned registration is in violation of Sections 18(1) and (4) of the Act and is liable to be removed.

Therefore, the registration of the impugned mark deserves to be declared invalid and its entry rectified. In view of the ordinance dated April 4, 2021 abolishing Intellectual Property Appellate Board and also in view of the order dated July 7, 2021 for establishment of Intellectual Property Division (hereinafter, "the IPD"), the Plaintiff seeks leave of the Hon'ble Court to file cancellation action before the IPD under Sections 124 and 125 of the Act."

Thus, a specific challenge to the validity of the registration of the mark NEBROS in favour of Respondent 1 was raised in para 23 of the plaint. This aspect is of significance, as would become apparent later.

(x) Compared as whole marks, the marks NEBROS and

ABROS were phonetically deceptively similar.

(xi) Inasmuch as both marks were used in respect of identical goods, available through the same trade channels and catering to the same customer segment, the presence of both the marks in the market was bound to result in likelihood of confusion, in the mind of a consumer of average intelligence and imperfect recollection, or to an impression that there was an association between the two marks.

(xii) Thus, the mark NEBROS infringed the mark ABROS within the meaning of Section 29(2)(a) and (b)[5] of the Trade Marks Act. Inasmuch as ASIPL enjoyed priority of registration as well as priority of user of the mark ABROS *vis-à-vis* the NEBROS mark of Respondent 1, ASIPL was entitled to an injunction, against the use, by Respondent 1, of the mark NEBROS. It was also submitted that ASIPL's yearly turnover, using the ABROS mark, was in the region of ₹ 190 crores, as against the yearly turnover of Respondent 1 which was nearly ₹ 8.5 crores.

Reliance was placed, to support these submissions, on the judgments of the Supreme Court in ***Kaviraj Pandit Durga Dutt Sharma v***

[5] (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.

Navaratna Pharmaceutical Laboratories*[6]*, Amritdhara Pharmacy v Satya Deo Gupta*[7]*, K.R. Chinna Krishna Chettiar v Shri Ambal & Co.*[8] and of this Court in ***Russell Corp. Australia Pty. Ltd. v Ashok Mahajan[9].

3. Submissions of respondents before the learned Single Judge

Before the learned Single Judge, the respondents advanced the following submissions, to contest the suit and ASIPL's prayer for interim injunction.

(i) NEBROS was also a coined term. The paternal uncle of Respondent 1 was running a business in the name of Nice Footwear, which was one of the biggest footwear distributors in Ahmedabad. The word NEBROS was a portmanteau of the first and last letters of the word "Nice" and "BROS", which was an acronym for "Brothers". Thus, NEBROS was also a unique and coined word, and was not intended to be a copy or imitation of ASIPL's mark ABROS.

(ii) In any event, the appellant could not plead infringement against the mark NEBROS as NEBROS was also registered in favour of Respondent 1 since September 2020. In the year 2021-22 itself, the sales figures of Respondent 1 were in excess of ₹ 8.5 Crores.

[6] **AIR 1965 SC 980**
[7] **1962 SCC Online SC 13**
[8] **(1969) 2 SCC 131**
[9] **2023 SCC OnLine Del 4796**

(iii) ASIPL could not plead priority of user of the ABROS mark *vis-à-vis* the use of the NEBROS mark by Respondent 1. The invoice representing the earliest evidence of user, by ASIPL, of the mark ABROS, was of 2021, and was of a later date than the invoices representing use of the NEBROS mark by Respondent 1. ASIPL could not seek to rely on the use of the ABROS mark by its predecessor-in-interest Narmada Polymers, as Narmada Polymers made soles and not shoes. ASIPL commenced use of the mark ABROS for shoes at a much later point of time. Respondent 1 could not, therefore, be alleged to have dishonestly adopted the mark NEBROS.

(iv) The marks ABROS and NEBROS could not be said to be phonetically similar. They were also completely distinct in appearance, as presented to the customer in the market. A comparative table in this regard was thus presented in the written statement:

Product of the Appellant	**Product of the Respondent**
	
	



(v) Besides, "BROS" was a common generic expression, used by a variety of manufacturers for a variety of goods. No one manufacturer could claim exclusivity over BROS as a suffix or a prefix.

(vi) The first invoice submitted by ASIPL was on 1 February 2021, whereas Respondent 1 had placed on record invoices dating back to 1 September 2020, showing use of the NEBROS mark by Nice Footwear. Thus, even if ASIPL could claim priority of registration, priority of user was definitely with the respondents. In such circumstances, ASIPL could not be entitled to any injunction against the use of the mark NEBROS by the respondents.

To support their submissions, the respondents placed reliance on

(i) the judgments of the Supreme Court in ***S. Syed Mohideen v P Sulochana Bai***[10] and ***Uniply Industries Ltd. v Unicorn Plywood Pvt. Ltd***.[11],

(ii) the judgment of a Division Bench of this Court in ***Airtec Electrovision Pvt Ltd v Sunil Kumar Saluja***[12] which was also affirmed by the Supreme Court, and

(iii) the judgment of this Court in ***Hindustan Sanitaryware and Industries Ltd. v Champion Ceramic***[13].

4. Submissions of ASIPL in rejoinder before the learned Single Judge

4.1 In rejoinder, ASIPL submitted before the learned Single Judge, thus:

(i) The sales figures shown by Respondent 1 were of its total turnover and not of the sales of goods using the mark NEBROS.

(ii) The plea of Respondent 1 of priority of user was also misplaced as Section 34[14] of the Trade Marks Act, disentitled the plaintiff to an injunction against the defendant even where the defendant's mark was infringing in nature, only where

[10] **(2016) 2 SCC 683**
[11] **(2001) 5 SCC 95**
[12] **MANU/DE/1095/2022**
[13] **2011 SCC Online Del 246**
[14] **34. Saving for vested rights**. – Nothing in this Act shall entitle the proprietor or a registered user of registered trade mark to interfere with or restrain the use by any person of a trade mark identical with or nearly resembling it in relation to goods or services in relation to which that person or a predecessor in title of his has continuously used that trade mark from a date prior—

(a) to the use of the first-mentioned trade mark in relation to those goods or services be the proprietor or a predecessor in title of his; or

(b) to the date of registration of the first-mentioned trade mark in respect of those goods or services in the name of the proprietor of a predecessor in title of his;

whichever is the earlier, and the Registrar shall not refuse (on such use being proved) to register the second

defendant enjoyed priority of user and priority of registration over the plaintiff.

(iii) Apropos Respondent 1's contention that the suffix 'BROS' was common to the trade, ASPIL relied on the judgment of the Division Bench of this Court in ***Pankaj Goel v Dabur India Ltd***.[15]. It was further contended that ASIPL could maintain an infringement action even against the owner of a registered trademark, for which purpose reliance was placed on the judgment of a Division Bench of this Court in ***Raj Kumar Prasad v Abbott Healthcare Pvt. Ltd.***[16]

4.2 Additionally, the appellant placed on the judgments of the Supreme Court in

(i) ***Neon Laboratories Ltd. v Medical Technologies Ltd***.[17] and

(ii) ***Toyoto Jidosha Kabushiki Kaisha v Prius Auto Industries Ltd***.[18],

and the judgment of this Court in ***Zydus Wellness Products Limited v Cipla Health Ltd***.[19]

5. The observations and findings of the learned Single Judge

5.1 The learned Single Judge has held that ASIPL could not entitle to any injunction for the following reasons::

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mentioned trade mark by reason only of the registration of the first-mentioned trade mark.

[15] **2008 SCC OnLine Del 1744**
[16] **2014 SCC OnLine Del 7708**
[17] **(2016) 2 SCC 672**
[18] **(2018) 2 SCC 1**
[19] **(2016) 2 SCC 672**

(i) There was no distinct phonetic similarity between ABROS and NEBROS.

(ii) As presented to the consumer, there was no structural or visual similarity between the marks either, viewed as logos.

(iii) The respondents' user of the mark NEBROS dated back to September 2020 whereas the earliest invoice produced by ASIPL was of 1 February 2021.

(iv) There was no evidence of user of the ABROS mark by Narmada Polymers since 2017, as pleaded by ASIPL.

(v) The use of the mark ABROS by Narmada Polymers in respect of soles was immaterial, as the Court was concerned with the use of the rival marks *for shoes*. Qua user of the marks on shoes, Respondent 1 enjoyed priority of user as compared to ASIPL.

(vi) The balance of convenience was also against ASIPL as Respondent 1 had been selling the goods since 2020.

(vii) There was no opposition by ASIPL to the registration of the mark NEBROS in favour of Respondent 1.

(viii) The fact that ABROS and NEBROS were not similar was also evidenced by the Examination Report of the Trade Marks Registry in response to the application of Respondent 1 for registration of the mark NEBROS, in which the ASIPL mark

ABROS was not thrown up as a similar mark.

(ix) Infringement analysis invited comparison of the competing marks. When the competing marks were compared, it was seen that there was no visual, structural or phonetic similarity between ABROS and NEBROS.

(x) The fact that both marks had BROS as a common suffix was insufficient to trigger any confusion in a consumer of average intelligence and imperfect recollection.

(xi) As Respondent 1 was a registered proprietor of the mark NEBROS, the issue was essentially one of passing off, for which a higher threshold had to be met by the appellant, as held by the Supreme Court in ***S Syed Mohideen v P Sulochana Bai***. Where the respondent had priority of user in its favour, the appellant's case would not subsist even if the case was one of deceptive similarity.

(xii) To sustain a case of passing off, added features made all the difference. Thus viewed, the labels/logos of the respondents and ASIPL was so different that it could not be said that, by use of the NEBROS label, the Respondent 1 was passing off their products as the products of ASIPL.

(xiii) No proof of actual confusion had been shown. The Division Bench of this Court, in its decision in ***Shree Nath Heritage Liquor Pvt Ltd v Allied Blender & Distilers Pvt Ltd***[20],

[20] **2015 SCC Online Del 10164**

has held that actual confusion was also a relevant factor.

(xiv) Ultimately, the comparison of the marks had to be undertaken in a holistic manner instead of concentrating on individual aspects or adopting a compartmentalized approach. Holistically viewed, no case of likelihood of confusion between ASPIL's mark ABROS and Respondent 1's mark NEBROS could be said to exist. Reliance was also placed in this context on the following test in ***In re. Pianotist Co. Application***[21]:

> "You must take the two words. You must Judge them, both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. Infact you must consider all the surrounding circumstances and you must further consider what is likely to happen if each of those trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks."

5.2 Based on the above reasoning, the learned Single Judge, holding that no case for grant of interlocutory injunction exists, has dismissed ASIPL's application for stay.

6. Aggrieved thereby, the ASIPL is before this Court in appeal.

7. We have heard Mr. Ranjan Narula, learned counsel for the appellant and Mr. Sanchay Mehrotra, learned counsel for the respondents, at length.

Rival Submissions

[21] **(1906) 23 RPC 774**

8. Submissions of Mr. Narula, learned Counsel for ASIPL

8.1 Before us, Mr Narula advanced the following submissions:

(i) The learned Single Judge was in error in holding that Respondent 1 enjoyed priority of user of the NEBROS mark over the user of the ABROS mark by ASIPL. The registration of the ABROS mark in favour of the ASIPL is of 3 March 2017, claiming user with effect from 1 March 2017. The learned Single Judge has materially erred in his understanding of the concept of 'use' of a registered trademark within the meaning of the Trade Marks Act. It is admitted, in the written statement filed by Respondent 1 before the learned Single Judge, that Narmada Polymers was using the ABROS mark, albeit on soles, in 2017. Soles and shoes are allied and cognate goods, and use of the mark on soles also constitutes user of the ABROS mark for the purposes of the Trade Marks Act. Besides, the ABROS mark figured in the Certificate of Incorporation of ASIPL and the PAN Card issued to ASIPL, both dated 14 February 2020 as well as in the records of ASIPL with the Ministry of Corporate Affairs. In view of Sections 2(2)(b) as well as 2(2)(c)[22] of the Trade Marks Act, Mr. Narula submits that

[22] (2) In this Act, unless the context otherwise requires, any reference –
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(b) to the use of a mark shall be construed as a reference to the use of printed or other visual representation of the mark;
(c) to the use of a mark,—

use of the mark ABROS on the Certificate of Incorporation of ASIPL and on its Pan Card would also constitute 'use' of the mark. Placing reliance, for the purpose, on the judgment of a learned Single Judge of this Court in ***FDC Ltd v Docsuggest Healthcare Services Pvt Ltd.***[23], Mr. Narula submits that the learned Single Judge was materially in error in holding that Respondent 1 enjoyed priority of user of the NEBROS mark vis-à-vis user by ASIPL of the ABROS mark.

(ii) The result is that ASIPL enjoys both priority of registration as well as priority of user over Respondent 1. This by itself, entitles ASIPL to interlocutory injunction pending disposal of the suit by the learned Single Judge, as sought by it.

(iii) Even on the aspect of deceptive similarity, the findings of the learned Single Judge are unsustainable in law. ABROS and NEBROS are unquestionably phonetically similar. Besides, they are used by ASIPL and the respondents on identical goods i.e. shoes, sold within the ₹1500-2000/- price range, through the same trade channels, catering to the same customer segment. The Triple Identity Test is, also, therefore, satisfied.

(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;

[23] **2017 SCC OnLine Del 6381**

(iv) The learned Single Judge was not justified in bisecting the rival marks by segregating the BROS suffix from each of them it is well settled that, while examining the aspect of similarity, whether phonetic or otherwise, the rival marks have to be compared as whole. Mr Narula relies, for this purpose, on paras 13 and 14 of ***Amritdhara Pharmacy***, para 19 of ***Corn Products Refining Co. v Shanrila Food Products Ltd***[24] and para 30 of ***Kaviraj Pandit Durga Dutt Sharma.*** ASIPL is not seeking any exclusivity with respect to the BROS suffix and has made this clear in the replication filed before the learned Single Judge by way of response to Respondent 1's written statement.

(v) The explanation proffered by Respondent 1 for adopting the mark NEBROS is ludicrous. No person in his ordinary senses would pick out the first and last letters of the word NICE and combine them with the suffix BROS, to result in the mark NEBROS.

(vi) The invoice dated 1 September 2020, filed by Respondent 1, does not reflect the mark NEBROS anywhere and, in fact, does not reflect any mark at all. It cannot, therefore, be regarded as evidence of user by the respondents of the NEBROS mark. Reliance is placed, in this context, on para 34 of the judgment of the Supreme Court in ***Satyam Infoway Ltd v Sifynet Solutions Pvt***

[24] **AIR 1960 SC 142**

Ltd[25] and on the judgment of a learned Single Judge of this Court in ***Rajnish Aggrwal v Anantam***[26].

(vii) Respondent 1 has not provided any figures of turnover using the impugned NEBROS mark.

(viii) The submission of Respondent 1 that actual confusion had to be proved is completely unfounded in law. He submits that it is a well settled principle that, for the purposes of infringement or passing off, it is not necessary to prove actual confusion. Mr Narula relies, for this purpose, on para 31 of the judgment of the Supreme Court in ***Toyota Jidosha Kabushiki Kaisha***.

(ix) Section 34 of the Trade Marks Act has no applicability at all. For this purpose, Mr. Narula cites para 7 of the judgment of the Supreme Court in ***Neon Laboratories Ltd.***

(x) Finally, the learned Single Judge was in error in holding that no case of passing off was made out because of the difference between the overall appearance of the logos used by the ASIPL and the respondent. He submits that, in each logo, the concerned word mark – ABROS in the case of ASIPL and NEBROS in the case of the Respondents – was starkly visible. The overall dissimilarity between the logos, therefore, he submits,

[25] **(2004) 28 PTC 566 (SC)**
[26] **2010 (43) PTC 442 (Del)**

cannot discredit the case of passing off, sought to be set up by ASIPL against the respondents.

In order to support these submissions, apart from the judgments already cited supra, Mr. Narula relies on the decisions of the Supreme Court in ***K.R. Chinna Krishna Chettiar*** and ***Ruston & Hornsby Ltd. v Zamindara Engneering Co.***[27].

8.2 To a query from the Court as to whether an action for infringement would lie against the proprietor of a registered trademark, Mr. Narula answers in the affirmative, relying, for the purpose, on the judgment of the Division Bench of this Court in ***Raj Kumar Prasad*** which was subsequently followed by another Division Bench in ***Corza International v Future Bath Products Pvt Ltd***[28]. He points out that one of us (C. Hari Shankar, J.) has, in fact, followed ***Raj Kumar Prasad*** and ***Corza*** in ***Jaquar & Co. Pvt Ltd v Ashirvad Pipes Pvt Ltd***[29].

9. Submissions of Mr. Sanchay Mehrotra, by way of response

9.1 Mr. Mehrotra, appearing for the respondents, basically adopted the reasoning contained in the impugned judgment. He submits that his client enjoys priority of user of the mark NEBROS vis-à-vis the user of the mark ABROS by ASIPL. He further submits that Mr. Narula is not justified in relying on the judgment of the Division

[27] **(1969) 2 SCC 727**
[28] **2023 SCC OnLine Del 153**
[29] **2024 SCC OnLine Del 2281**

Bench of this Court in ***Airtech Electrovision Pvt Ltd***[30] as that case dealt with the rival marks AIRTEC and AIRNET.

9.2 Mr. Mehrotra further submits that ASIPL has not been able to produce any substantial documentary evidence evidencing user by it, of the mark ABROS since March 2017. Thus, ASIPL is not entitled to plead priority of user vis-a-vis the respondents. As against this, the respondents have been using the mark NEBROS continuously and without interruption since September 2020.

9.3 Mr. Mehrotra also submits that there is no likelihood of confusion between the ABROS mark of ASIPL and the NEBROS mark of his client, given the complete visual dissimilarity between them.

9.4 Mr. Mehrotra further submits that in view of Sections 28 (1)[31] and 28 (3)[32] of the Trade Marks Act, no claim for infringement can lie against his client as he is the proprietor of the registered trade mark NEBROS.

9.5 Mr. Mehrotra further adopts the reasoning of the learned Single Judge that the suffix BROS is *publici juris* and that that no person can monopolize such a suffix. Except for the suffix BROS, he submits that

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[30] **MANU/DE/1095/2022**

[31] **28. Rights conferred by registration.** –
(1) Subject to the other provisions of this Act, the registration of a trade mark shall, if valid, give to the registered proprietor of the trade mark the exclusive right to the use of the trade mark in relation to the goods or services in respect of which the trade mark is registered and to obtain relief in respect of infringement of the trade mark in the manner provided by this Act.

[32] (3) Where two or more persons are registered proprietors of trade marks, which are identical with or nearly resemble each other, the exclusive right to the use of any of those trademarks shall not (except so far as their respective rights are subject to any conditions or limitations entered on the register) be deemed to have been acquired by any one of those persons as against any other of those persons merely by registration of the trade marks but each of those persons has otherwise the same rights as against other persons (not being registered users using by way of permitted use) as he would have if he were the sole registered proprietor.

the marks ABROS and NEBROS are dissimilar to each other, phonetically as well as structurally and visually.

9.6 For all these reasons, Mr. Mehrotra submits that the impugned order deserves to be affirmed and appeal dismissed.

Observations

10. While we have set out the facts of the case and the rival contentions of the parties, as we felt it to be necessary to justify the observations that follow, we find ourselves handicapped from finally deciding this appeal, as, on a fundamental question of law, we are unable to agree with the view expressed by a coordinate Bench of this Court, and, on the decision on that question, may pivot the final outcome of this appeal. While this may sound esoteric, we clarify the position below.

11. Clearly, as in any trademark suit seeking injunction, the two issues which arise for consideration are whether the respondent has infringed the trademark of the plaintiff, and whether the respondent has sought to pass off its products as the products of the plaintiff. In either event, the plaintiff would be entitled to injunction – as held by the Supreme Court in ***Midas Hygiene Industries (P) Ltd v Sudhir Bhatia***[33] in the case of infringement, and in ***Laxmikant V. Patel v Chetanbhai Shah***[34] in the case of passing off.

12. Section 29

[33] **(2004) 3 SCC 90**
[34] **(2002) 3 SCC 65**

Before that, however, we need to turn to Section 29, which elucidates the circumstances in which infringement can be set to occur. Plainly, each of the sub-sections (1) to (4) of Section 29[35] envisages infringement as taking place only *where the infringer is not the registered proprietor of the allegedly infringing trademark*. Each of the sub- sections (1), (2) and (4) of Section 29 starts with the words "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 …" In other words, infringement by the registered proprietor of a trade mark, or by a person who has been permitted to use the mark, by the registered proprietor thereof, is foreign to the concept of infringement under the Trade Marks Act. Plainly said, there can be no infringement by the proprietor of a registered trade mark. A finding of infringement, against the proprietor of a registered trademark, would be explicitly contrary to

[35] **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.

Section 29, and the very concept of infringement as envisaged in the Trade Marks Act.

13. Section 30(2)(e)

13.1 The fact that a registered trademark can never infringe, which is clear from the various sub-sections of Section 29, is further explicitly made clear in Section 30(2)(e)[36]. Section 30(2) sets out certain circumstances in which infringement cannot be said to have taken place. These circumstances, therefore, operate as exceptions to Section 29. In other words, irrespective of whether the rival marks are identical, or deceptively similar, or whether there is, or is not, likelihood of confusion between them, if the case falls within one of the clauses of Section 30(2), there is no infringement.

13.2 Clause (e) of Section 30(2) clarifies, in no uncertain terms, that if there are two or more identical or nearly resembling *registered* trademarks, the use of one cannot be said to infringe the other. This provision is as plain as it can be, and needs no explanation or elucidation. The fact that his trademark is registered, therefore, affords the defendant an absolute defence against infringement, by virtue of Section 30(2)(e). The plaintiff cannot be heard to contend that, by using his *registered* trademark, the defendant is infringing the plaintiff's registered trademark.

[36] (2) A registered trade mark is not infringed where –

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(e) the use of a registered trade mark, being one of two or more trademarks registered under this Act which are identical or nearly resemble each other, in exercise of the right to the use of that trade mark given by registration under this Act.

14. Section 28(1)[37]

14.1 Infringement occurs when the defendant uses a mark, in the course of trade, which is deceptively similar to the registered trademark of the plaintiff, within the meaning of one or more of the clauses of Section 29 of the Trade Marks Act. Where infringement is found to occur, the plaintiff, as the proprietor of the registered trade mark which has been infringed, is entitled, under Section 28(1), to relief against infringement. Section 135(1)[38] includes, among the reliefs available against infringement, injunction, damages, rendition of accounts and delivery up of the infringing marks or labels.

14.2 As we have already seen, however, Section 29 envisages infringement as taking place *only by a person who is not a registered proprietor of the allegedly infringing trademark*, or a permissive user thereof. If the defendant is a registered proprietor of a trademark, therefore, the said trademark cannot be regarded as infringing in nature, irrespective of any similarity between the said trademark and the registered trademark of the plaintiff. To reiterate, a registered trade mark cannot be infringing.

14.3 The obvious sequitur is that there can be no concept of "relief

[37] **28. Rights conferred by registration**. –
(1) Subject to the other provisions of this Act, the registration of a trade mark shall, if valid, give to the registered proprietor of the trade mark the exclusive right to the use of the trade mark in relation to the goods or services in respect of which the trade mark is registered and to obtain relief in respect of infringement of the trade mark in the manner provided by this Act.

[38] **135. Relief in suits for infringement or for passing off**. –
(1) The relief which a court may grant in any suit for infringement or for passing off referred to in Section 134 includes injunction (subject to such terms, if any, as the court thinks fit) and at the option of the plaintiff, either damages or an account of profits, together with or without any order

against infringement" by a registered trademark, simply because a registered trade mark can never be infringing in nature. As such, if the defendant's trademark is registered, the plaintiff, despite being the proprietor of a registered trade mark himself, cannot obtain any relief against infringement, against the defendant or its trade mark. Expressed otherwise, no "relief against infringement", as envisaged by Section 28(1) of the Trade Marks Act, would be available against the proprietor of a registered trade mark.

14.4 Section 28(1) is, moreover, expressly made "subject to the other provisions of" the Trade Marks Act. This indicates that the right to relief against infringement, available to the proprietor of a registered trade mark under Section 28(1), is subject to the exercise of the right not being contrary to any other provision of the Trade Marks Act – which, in turn, would imply that the right cannot be exercised in such a manner as would entrench on the statutory rights conferred on the defendant by the Trade Marks Act.

14.5 Notably, Section 28(1) omits, entirely, any reference to the defendant. This significant feature, read with the opening words "subject to the other provisions of this Act", indicates that a Court cannot grant relief against infringement, even to the proprietor of a validly registered trade mark, if, by doing so, the rights available under the Trade Marks Act to the person against whom injunction is granted, are being compromised or jeopardized.

14.6 The "subject to" caveat, with which Section 28(1) commences,

for the delivery-up of the infringing labels and marks for destruction or erasure.

directly invokes Section 28(1) itself. Section 28(1) confers, on the registered proprietor of a trademark, not only the right to seek relief against infringement, *but also "the exclusive right to the use of the trademark in relation to the goods or services in respect of which the trademark is registered"*. This latter right is available to the registered proprietor of every trademark. In other words, it is available as much to the plaintiff as to the defendant, if the allegedly infringing trademark of the defendant is a registered trademark. *By virtue of Section 28(1), the registration of the impugned trademark in favour of the defendant would confer, on the defendant, the exclusive right to use the said mark in relation to the goods or services in respect of which the trademark is registered.*

14.7 Section 28(1) cannot, therefore, be used by the plaintiff to injunct the defendant from using the impugned trademark, if the trademark is registered in favour of the defendant, as grant of any such injunction would entrench on the exclusive right of the defendant to use the trademark in respect of the goods or services for which the trademark is registered.

14.8 Expressed otherwise, the right to obtain relief against infringement, conferred on the registered proprietor of a trademark by Section 28(1), is not available to injunct the proprietor of a registered trade mark, from using that trade mark. A registered proprietor of a trademark cannot, therefore, in exercise of the right to obtain relief against infringement, conferred by Section 28(1), seek injunction against the use, by another person, of a registered trademark, in respect of the goods or services for which the trademark is registered.

14.9 This, of course, is without prejudice to the fact that there can, in law, be no infringement by a registered trademark. Even assuming, for the sake of argument, that a registered trademark *could* infringe, nonetheless, the exclusive right to use the trademark in respect of the goods or services for which the trademark is registered, would insulate the registered proprietor of the trademark from being injuncted.

15. Section 28(3)[39]

15.1 The legislature has, by Section 28(3), made this legal position explicitly clear. Section 28(3) may be sub-divided into distinct parts. It recognises the fact that the registration of a trademark confers, on the registered proprietor thereof, the right to exclusive use of the trademark. Even so, if another person is also the registered proprietor of a deceptively similar, or even an identical, trademark, Section 28(3) does not allow the former registered proprietor, while exercising his right to exclusive use of his registered trademark, to trespass on the right of the latter proprietor of the identical or deceptively similar trademark, which flows from the registration thereof. *In other words, as both trademarks, despite being identical or deceptively similar to each other, are registered in favour of their respective proprietors, each proprietor has to respect the right of the other to exclusive use of the trademark in respect of the goods or services for which it is*

[39] (3) Where two or more persons are registered proprietors of trade marks, which are identical with or nearly resemble each other, the exclusive right to the use of any of those trademarks shall not (except so far as their respective rights are subject to any conditions or limitations entered on the register) be deemed to have been acquired by any one of those persons as against any other of those persons merely by registration of the trademarks but each of those persons has otherwise the same rights as against other persons (not being registered users using by way of permitted use) as he would have if he were the sole registered proprietor.

registered. This is merely another way of expressing the proscription contained in Section 28(1). While each of the registered proprietors would have a right to exclusivity, in respect of his registered trademark, qua the goods or services in respect of which it is registered, against the rest of the world, he cannot have any such right against the proprietor of the other registered trademark, even though it is identical or deceptively similar.

16. The Sequitur

16.1 The sequitur, from a reading of the above provisions of the Trade Marks Act, is obvious.

16.2 There can be no infringement by a registered trademark. An unregistered trademark alone can infringe. Use of a registered trademark, for the goods or services in respect of which it is registered, can never be infringing in nature.

16.3 Ergo, the right to "relief against infringement", otherwise available to a registered proprietor of a trademark under Section 28(1), can never extend to relief against another registered proprietor of a trademark.

16.4 The very fact of registration confers, on the proprietor of the mark, exclusive right to use the mark in respect of the goods or services for which it is registered. So long as the mark remains registered, this exclusive right cannot be jeopardised or injuncted by anyone, even by the registered proprietor of another identical or

similar trademark.

16.5 The obvious consequence is that an action for infringement cannot lie against a registered proprietor or a trademark.

17. The judgment in ***Raj Kumar Prasad***

17.1 A coordinate Division Bench of this Court has, however, in ***Raj Kumar Prasad***, held that an action for infringement *can* lie against a registered proprietor of a trademark and, further, that an injunction against use of the mark by such registered proprietor *can also* be granted by a Court.

17.2 To our mind, and with greatest respect to the indisputable legal acumen of the learned Judges comprising the Bench that decided ***Raj Kumar Prasad***, we find ourselves unable to accept this proposition. To our mind, conferring, on a Court, the right to grant an injunction against the use of a registered trademark, by its proprietor, in respect of the goods or services for which the mark is registered, would violate Section 29(1) to (4), Section 28(1), Section 28(3) and Section 30(2)(e) of the Trade Marks Act.

17.3 The reasoning adopted by the Coordinate Division Bench in ***Raj Kumar Prasad***, in holding that a suit for infringement would lie against a registered trademark, and that the use of such registered trademark can also be injuncted, needs to be understood.

17.4 While the facts of ***Raj Kumar Prasad*** may not seriously impact

this discussion, they may briefly be noted.

17.5 The Division Bench identified, in the very opening sentence of the judgment, the issue arising for consideration as "whether the registered proprietor of a trademark can sue another registered proprietor of a trademark alleging deceptive similarity". As already noted, the question has been answered, ultimately, in the affirmative, by the Division Bench.

17.6 Abbott Healthcare Private Limited[40], the respondent before the Division Bench, was the registered proprietor of the trademark ANAFORTAN, under which it was manufacturing and selling veterinary pharmaceutical preparations. Abbott alleged that Raj Kumar Prasad[41], the appellant before the Division Bench, was using the trademark AMAFORTEN, for pharmaceutical products. It was further alleged that Prasad had surreptitiously obtain registration of the mark AMAFORTEN under the Trade Marks Act and that Abbott was in the process of moving an application before the Trade Marks Registry under Section 57 of the Trade Marks Act, for rectification of the register and removal, therefrom, of the mark AMAFORTEN. Abbott sought an injunction against the use by, Prasad of the mark AMAFORTEN.

17.7 One of the contentions advanced by Prasad before the learned Single Judge of this Court, while opposing Abbott's prayer for injunction, was that there could be no injunction of the use, by Prasad,

[40] "Abbott", hereinafter
[41] "Prasad", hereinafter

of the mark AMAFORTEN, as it was a registered trademark.

17.8 The learned Single Judge rejected the contention and granted injunction.

17.9 Prasad appealed to the Division Bench. It was thus that the judgment under discussion came to be rendered.

17.10 In arriving at the conclusion that Abbott was entitled to sue Prasad for infringement, despite Prasad's trademark AMAFORTEN being registered, and to obtain an injunction against use of the said trademark, the Division Bench entirely relied on Section 124[42] of the Trade Marks Act. The reasoning of the Division Bench is brief, and is contained in paras 15 to 18 of the judgment, which may be thus reproduced:

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[42] **124. Stay of proceedings where the validity of registration of the trade mark is questioned, etc**. –
(1) Where in any suit for infringement of a trade mark—
(a) the defendant pleads that registration of the plaintiff's trade mark is invalid; or
(b) the defendant raises a defence under clause (e) of sub-section (2) of Section 30 and the plaintiff pleads the invalidity of registration of the defendant's trade mark,
the court trying the suit (hereinafter referred to as the court), shall,—
(i) if any proceedings for rectification of the register in relation to the plaintiff's or defendant's trade mark are pending before the Registrar or the High Court, stay the suit pending the final disposal of such proceedings;
(ii) if no such proceedings are pending and the court is satisfied that the plea regarding the invalidity of the registration of the plaintiff's or defendant's trade mark is prima facie tenable, raise an issue regarding the same and adjourn the case for a period of three months from the date of the framing of the issue in order to enable the party concerned to apply to the High Court for rectification of the register.
(2) If the party concerned proves to the court that he has made any such application as is referred to in clause (b)(ii) of sub-section (1) within the time specified therein or within such extended time as the court may for sufficient cause allow, the trial of the suit shall stand stayed until the final disposal of the rectification proceedings.
(3) If no such application as aforesaid has been made within the time so specified or within such extended time as the court may allow, the issue as to the validity of the registration of the trade mark concerned shall be deemed to have been abandoned and the court shall proceed with the suit in regard to the other issues in the case.
(4) The final order made in any rectification proceedings referred to in sub-section (1) or sub-section (2) shall be binding upon the parties and the court shall dispose of the suit conformably to such order in so far as it relates to the issue as to the validity of the registration of the trade mark.
(5) The stay of a suit for the infringement of a trade mark under this section shall not preclude the court from making any interlocutory order (including any order granting an injunction, directing account to be kept, appointing a receiver or attaching any property), during the period of the stay of the suit.

"15. It is no doubt true that a reading of sub-Section 1 of Section 28 of the Trademarks Act, 1999 would evidence a legal right vested in the registered proprietor of a trademark to exclusively use the same in relation to the goods or services in respect of which the trademark is registered and to obtain relief in respect of infringement of the trademark. It is also true that a mere reading of sub-Section 3 of Section 28 of the Trademarks Act, 1999 would evidence a mutually exclusive right in two or more registered proprietors of trademarks which are identical with or nearly resemble each other to use the trademarks; none being in a position to sue the other, and each being empowered to sue other persons.

16. But what does Section 124 of the Trademarks Act, 1999 say? And in what manner does it affect the rights conferred under Section 28?

17. The guiding star being the principle of law: every attempt has to be made, as long as the language of a statute permits, to give effect to every phrase and sentence used by the legislature, and if there emerges an apparent conflict, the duty of the Court would be to iron out the creases and interpret the provisions harmoniously so that the provisions are given effect to.

18. Sub-Section 1 of Section 124 of the Trademarks Act, 1999 would guide us that *it contemplates a suit for infringement of a trademark on the allegation of invalidity of registration of the defendant's mark* and even includes a case where a defendant pleads invalidity in the registration of the plaintiff's trademark. In such a situation the legislative intent clearly disclosed is, *as per sub-Section 5 of Section 124, to stay the suit, to enable either party to take recourse to rectification proceedings before the Registrar of Trademarks, but after considering what interlocutory order needs to be passed.* Sub-Section 5 reads: "The stay of a suit for the infringement of a trademark under this Section shall not preclude the Court for making any interlocutory order including any order granting an injunction direction account to be kept, appointing a receiver or attaching any property, during the period of the stay of the suit".

(Emphasis supplied)

17.11 Thus, the reasoning adopted by the Division Bench in arriving at a conclusion that a Court could, in infringement proceedings, injunct the use of a registered trademark, by its proprietor, may be thus set out:

(i) It was true that Section 28(1) vested, in the registered proprietor of a trademark, the exclusive right to use the trademark in respect of the goods or services qua which it was registered.

(ii) It is equally true that Section 28(3) proscribes the registered proprietor of a trademark from suing another registered proprietor of a trademark, so as to jeopardize the right of such latter registered proprietor to use the mark in respect of the goods for which it is registered.

(iii) However, Section 124 of the Trade Marks Act could not be ignored. One had to apply the principle that, in the event of an apparent conflict between the provisions in the same statute, the Court has to harmonise the rival provisions.

(iv) Section 124(1) envisages a suit for infringement, against the registered proprietor of a trademark, provided the plaintiff pleads invalidity of the defendant trademarks.

(v) If the plaintiff thus pleads invalidity of the defendant trademark in his suit, the Court hearing the suit has, under Section 124(3), to stay the suit so as to enable the plaintiff to apply for rectification of the defendant trademark.

(vi) That, however, has to be "after considering what interlocutory order needs to be passed." Section 124(5) of the

Trade Marks Act specifically saves the power of the Court to pass interlocutory orders, including orders of injunction, even while the suit remain stayed under Section 124(2).

It is by this process of reasoning that the Division Bench held, in ***Raj Kumar Prasad,*** that, so long as the plaintiff pleads invalidity of the defendant's registered trademark, it was entitled to sue for relief against infringement, by the defendant, of its own registered trademark and seek injunction against the defendant in that regard.

17.12 The decision in ***Raj Kumar Prasad*** has been subsequently followed by another Division Bench of this Court in ***Corza International***.

18. Correctness of the decision in ***Raj Kumar Prasad***

18.1 We reiterate that, with greatest respect to the learned Bench which decided ***Raj Kumar Prasad***, we find ourselves unable to subscribe to the view expressed in the said decision. Our reasons, for saying so, are the following:

(i) While generally observing that, faced with conflicting provisions in a statute, a Court has to harmonise the provisions, the Division Bench in ***Raj Kumar Prasad*** has, in our respectful opinion, not gone on to examine whether it was actually harmonising the concerned provisions of the Trade Marks Act. To our mind, if the reasoning in ***Raj Kumar Prasad*** is accepted, it would be starkly contradictory to Sections 28(1), 28(3), 29(1)

to (4) and 30(2)(e) of the Trade Marks Act. It would also enable an action for infringement to be brought against the registered proprietor of a trademark, to injunct the use, by such registered proprietor, of the registered trademark, merely by incorporating, in the plaint, a plea regarding invalidity of the defendant's trademark. In other words, by a mere plea regarding the invalidity of the defendant's trademark, a plaintiff can completely divest a defendant of his right to exclusive use of his registered trademark, conferred and sanctified by Sections 28(1), 28(3) and 30(2)(e). To our mind, this appears to be impermissible.

(ii) Another serious aspect which appears not to have been considered by the Division Bench while returning the decision in ***Raj Kumar Prasad,*** is whether there can at all be a case of infringement by a registered trademark. Notably, *there is no reference, in paras 15 to 18 of* ***Raj Kumar Prasad,*** *of Section 29 of the Trade Marks Act.* The Division Bench has only referred to Sections 28(1) and 28(3). Before proceeding to Sections 28(1) and 28(3), which deal with the availability of reliefs against infringement, it has first to be seen whether any infringement can at all be said to exist, where the defendant's trademark is registered. *If the statute expressly envisages infringement only by an unregistered trademark, the question of proceeding further to the availability of relief against infringement does not arise.* With greatest respect, the Division Bench in ***Raj Kumar Prasad*** has not addressed itself to the question of whether there can at all be a case of infringement,

where the defendant's trademark is registered.

(iii) To our mind, the answer to this question can only be in the negative. There are no two ways about it. *Sections 29(1) and 29(4) clearly envisage infringement only by a person who is not the proprietor of a registered trademark or the permissive user thereof.* Section 29 is a self contained provision insofar as the circumstances in which infringement can be said to exist is concerned. There is no other provision in the Trade Marks Act which envisages any circumstance which could amount to infringement. *All circumstances in which infringement could be said to exit are contained in Section 29, and one cannot look outside Section 29, while examining whether infringement has, or has not, taken place*.

(iv) To reiterate, Section 29 expressly requires the infringing trademark to be unregistered. It envisages infringement only by a person, who is not a registered proprietor of a trademark or using the trademark by way of permitted use. It does not, therefore, contemplate infringement by the proprietor of a registered trademark, by the use thereof.

(v) This aspect is clarified further by Section 30(2)(e) which clearly excepts, from the ambit of infringement, use of a registered trademark by its proprietor. The clause clearly states that the use of a registered trademark, by its proprietor, can never be infringing, even if there is another identical or deceptively similar trademark.

(vi) If there is thus no question of infringement, the question of a right to sue for relief against infringement, much less to obtain such relief can, in our respectful opinion, never arise.

(vii) What, then, of Section 124 of the Trade Marks Act?

(viii) According to the Division Bench in ***Raj Kumar Prasad***, Section 124 expressly envisages the filing of a suit alleging infringement against a registered trademark. The Division Bench has opined that such a suit is permissible, and the plaintiff has only to allege that the registration of the defendant's trademark is invalid. In case such an allegation finds place in the plaint, the Division Bench has expressed the view that the suit would be competent.

(ix) In the event of such a suit being filed, and the plaintiff pleading invalidity of the registration of the defendant's trademark, the Division Bench holds that the Court is required to stay the suit, *to enable the plaintiff to initiate rectification proceedings against the registration of the defendant's trademark. Before doing so*, however, according to the Division Bench, the Court has to consider what interlocutory order needs to be passed. The power to pass such an interlocutory order vests in the Court by Section 124(5).

(x) We, with greatest respect, are unable to subscribe to the interpretation placed by the learned Division Bench in ***Raj***

Kumar Prasad on Section 124.

(xi) In the first place, Section 124 does not expressly, or even by necessary implication, envisage the filing of a suit seeking injunction of the use of a registered trademark by the defendant. Section 124(1)(b) envisages, in a suit filed by a plaintiff for infringement of a trademark, *a defence being raised by the defendant, predicated on Section 30(2)(e) of the Trade Marks Act*. In other words, Section 124(1) does not recognise the right of a plaintiff to sue for injunction against use, by the defendant, *of a registered trademark*. It envisages a "suit for infringement of a trademark". The word "infringement" has obviously to be understood in the backdrop of Section 29 of the Trade Marks Act. Infringement can only be by an unregistered trademark. A registered trademark cannot infringe. There can, therefore, be no suit for infringement of a registered trademark.

(xii) With greatest respect, we, therefore, have our difficulty in accepting the view, expressed in para 18 of ***Raj Kumar Prasad,*** that Section 124 contemplates a suit for infringement of a registered trademark, merely by incorporating a plea that the registration is invalid. We do not think that Section 124 says so. To reiterate, in our view, Section 124 envisages a suit for infringement of a trademark, which, read in the backdrop of Section 29, itself envisages the plaint proceeding on the premise that the allegedly infringing trade mark is not registered.

(xiii) Once it is accepted that the defendant's trademark is

registered, there can be no suit for infringement of such a trademark, as infringement, by its very definition, can only be by an unregistered trademark.

(xiv) What, then, does Section 124(1)(b) refer to?

(xv) Section 124(1)(b), in our opinion, envisages a situation in which, though the suit does not proceed on the premise that the defendant's trademark is registered, *the defendant raises a Section 30(2)(e) defence*. In other words, in a suit, filed by a plaintiff against a defendant, alleging that the defendant's trademark infringes the registered trademark of the plaintiff, Section 124(1)(b) envisages the defendant raising a defence predicated on Section 30(2)(e), i.e., that, as the defendant's trademark is registered, the use of such mark cannot amount to infringement. This must be *by way of a defence* raised by the defendant in its written statement.

(xvi) We, therefore, reiterate that Section 124 does not envisage a plaintiff suing for infringement of a registered trademark.

(xvii) Where the plaintiff sues, without knowing that the defendant's trademark is registered, *and the defendant sets up a Section 30(2)(e) defence*, the plaintiff *then* has the right to plead that the defendant's registration is invalid. Section 124 proceeds to examine the situation that arises *if such a plea is raised*.

(xviii) Thus, what Section 124(1)(ii) contemplates is that if

(a) a plaintiff sues a defendant on the ground that the defendant trademark infringes the registered trademark of the plaintiff,

(b) the defendant sets up a Section 30(2)(e) defence, by pleading that its trademark is registered and that, therefore, its use cannot amount to infringement and

(c) the plaintiff then pleads that the registration of the defendant trademark is invalid,

then, in such circumstances,

(i) the Court has to satisfy itself that the plea of invalidity of the defendant's registration, as raised by the plaintiff, is tenable,

(ii) if the Court is so satisfied, the Court has to raise an issue in that regard, and

(iii) the Court has thereafter to adjourn the matter by three months, in order to enable the plaintiff to initiate rectification proceedings against the registration of the defendant's trademark.

(xix) This sequence is, in our opinion, of fundamental significance. It underscores the position that there can be no infringement action against a registered trademark. Section 124(1) does not envisage a suit being instituted alleging infringement by a registered trade mark of the defendant. It envisages a suit being instituted, alleging infringement by the defendant, *and the defendant raising the plea of registration as a defence under Section 30(2)(e).* When such a defence is

raised, ordinarily, the plaint would be liable to be rejected under Order VII Rule 11(a) and (d)[43] of the CPC as being bereft of a cause of action, as also as being barred by law, as there can be no cause of action of infringement against a registered trademark, and Section 28(3) specifically bars the proprietor of one registered trade mark seeking an injunction against the use of another registered mark by its proprietor, even if it is identical or deceptively similar.

(xx) The plaintiff would, nonetheless, be entitled to apply for rectification of the register of trade marks under Section 57(1) and (2)[44] of the Trade Marks Act, by removing the defendant's trademark therefrom. Section 124(1)(ii) apparently aims at short-circuiting this process by allowing the suit to remain pending while the plaintiff applies for rectification of the register by removing the defendant's trademark therefrom. Till the register is rectified, and the defendant's trademark is removed, there can be no valid proceeding for infringement against the defendant's mark.

(xxi) In the event that, during the period of three months, for

[43] **11.** **Rejection of plaint**. – The plaint shall be rejected in the following cases:—
(a) where it does not disclose a cause of action;
*****
(d) where the suit appears from the statement in the plaint to be barred by any law;

[44] **57.** **Power to cancel or vary registration and to rectify the register**. –
(1) On application made in the prescribed manner to the High Court or to the Registrar by any person aggrieved, the Registrar or the High Court, as the case may be, may make such order as it may think fit for cancelling or varying the registration of a trade mark on the ground of any contravention, or failure to observe a condition entered on the register in relation thereto.
(2) Any person aggrieved by the absence or omission from the register of any entry, or by any entry made in the register without sufficient cause, or by any entry wrongly remaining on the register, or by any error or defect in any entry in the register, may apply in the prescribed manner to the High Court or to the Registrar, and the Registrar or the High Court, as the case may be, may make such order for making, expunging or varying the entry as it may think fit.

which the Court adjourns the suit, the defendant initiates rectification proceedings, Section 124(2) requires the Court to stay the trial of the suit pending final disposal of the rectification proceedings. This also indicates that trial of a suit alleging infringement of a trademark cannot proceed if the allegedly infringing trademark is registered. It is only once the registration is invalidated in appropriate rectification proceedings, that the suit can proceed and the aspect of infringement examined.

(xxii) This is the clear scheme of Section 124(1)(b) read with Section 124(1)(ii) and Section 124(2).

(xxiii) In our respectful opinion, the Division Bench in ***Raj Kumar Prasad*** was in error in observing that the plaintiff could institute a suit against a registered trademark, pleading invalidity of the registration and, in such a case, the Court was required to stay the suit, enabling the plaintiff to initiate rectification proceedings and, *before staying the suit*, consider the interlocutory order that was required to be passed.

(xxiv) On the other hand, in our view, Section 124(5), which forms the fulcrum, so to speak, of the ***Raj Kumar Prasad*** decision, applies only once the trial of the suit is stayed under Section 124(2). Section 124(5) merely states that the stay of the trial of the suit under Section 124(2) would not inhibit the Court from passing interlocutory orders, including orders granting injunctions.

(xxv) The nature of the injunctive order which can be passed under Section 124(5) has not been specified in the sub-section. It may, however, be difficult to understand the reference to "any order granting an injunction", as envisaged by Section 124(5), as empowering a Court to injunct the use of a registered trademark. Such an interpretation, in our view, would be in the teeth of Section 28(1), Section 28(3) and Section 30(2)(e) of the Trade Marks Act. Harmonizing provisions in a statute is one thing; according, to one provision, an interpretation which would totally efface another, is quite another.

(xxvi) In any event, before any interlocutory order is passed under Section 124(5), in our opinion, the entire drill of Section 124(1)(b), Section 124(1)(ii) and Section 124(2) has to be gone through. In other words, the plaintiff has to sue, alleging infringement by the defendant's trademark; the defendant has to raise a Section 30(2)(e) defence by pleading that, as its mark is registered, no infringement can be alleged; the plaintiff has led to plead invalidity of the defendant's trademark; the Court has to be satisfied that the plea is tenable; if the Court is so satisfied, the Court has to frame an issue; the Court has then to adjourn the matter by three months; within the said period of three months, the plaintiff has to institute rectification proceedings, for rectification of the register and removal of the defendant's mark therefrom; and the Court has to stay the trial of the suit pending disposal of the rectification proceedings.

(xxvii) In our opinion, it is not open to a plaintiff to institute an infringement suit against a registered trademark, merely plead invalidity of the registration of the defendant's mark in the plaint, and seek an injunction on the ground of infringement.

18.2 We are of the opinion, therefore, that the opinion to that effect, as expressed in ***Raj Kumar Prasad***, requires a reconsideration.

19. The Overall Sequitur

19.1 Thus, the position of law which emerges, in our considered opinion, and with great respect to the learned authors of the decision in ***Raj Kumar Prasad***, is as under:

(i) A registered trademark cannot infringe. Infringement can only be by an unregistered trademark.

(ii) No infringement proceedings can, therefore, ordinarily lie against a registered proprietor of a trademark, alleging that the trademark is infringing.

(iii) The registration of a trademark confers an absolute right on the registered proprietor of the trademark to exclusive use of the trademark in respect of the goods and services for which the registration is granted.

(iv) The right to relief against infringement, available under

Section 28(1), to a registered proprietor of a trademark, cannot extend to injuncting the use of another registered trademark by the proprietor thereof.

(v) If two trademarks are registered, then, even if they are deceptively similar to each other, the proprietor of one cannot seek to injunct the proprietor of the other from use of the mark.

(vi) A suit alleging infringement by a registered trademark and seeking an injunction against the use of such registered trademark, by its proprietor is, therefore, fundamentally unsound.

(vii) Nonetheless, in the event that the plaintiff sues for infringement by the defendant's mark, and the defendant pleads registration of the allegedly infringing mark as a defence under Section 30(2)(e) of the Trade Marks Act, the plaintiff then has the option to plead that the registration of the defendant's trademark is invalid.

(viii) In the event that such a plea is raised, the following procedure has mandatorily to be followed:

(a) The Court has to examine whether the plea of invalidity of the defendant's mark is tenable.

(b) If the Court finds the plea to be tenable, the Court has to frame an issue in that regard.

(c) Having framed the issue, the Court has to adjourn the suit by three months in order to enable the plaintiff to initiate rectification proceedings.

(d) If the plaintiff initiates rectification proceedings within the said period, the Court would stay trial in the suit.

(ix) It is only once this sequence of proceedings is exhausted that Section 124(5) would apply, and the Court would, even while the trial of the suit remains stayed, be within its power to pass interlocutory orders. Even then, in our considered opinion, it is highly debatable as to whether a Court can, till the registration of the defendant's mark is declared invalid and the mark is removed from the register, injunct the use, by the defendant, of such mark. Grant of such an injunction would seriously entrench the sanctified statutory right of the defendant, under Section 28(1) to 28(3) and Section 30(2)(e) of the Trade Marks Act.

20. This question is of pivotal importance in the present case as the Respondent 1's NEBROS trademark is registered. No doubt, the plaintiff has pleaded invalidity of the defendant's mark in the suit. That, however, would not *ipso facto* render the suit maintainable, insofar as it alleges infringement or seeks injunction against the defendant on that ground.

21. This aspect would have to be clarified before the Court

proceeds to examine the merits of the matter or the plea of the appellant that the NEBROS mark of Respondent 1 infringes the ABROS mark of ASIPL.

22. As the view we have taken is at variance with the view expressed in ***Raj Kumar Prasad,*** which stands followed in ***Corza***, we are of the opinion that the matter requires to be resolved by a Larger Bench.

23. We, accordingly, frame the following questions for reference to a Larger Bench, to be constituted by Hon'ble the Chief Justice:

(i) Whether a suit for infringement can lie against the proprietor of a registered trademark, with respect to the use of such trademark?

(ii) Whether, <u>assuming such a suit can lie</u>, the Court can pass any interlocutory order, injuncting the use, by the defendant, of the allegedly infringing registered trademark?

(iii) <u>Assuming the Court can do so</u>, whether such an order of injunction can be passed without, in the first instance, the proceedings going through the steps envisaged in para 19.1(viii) *supra*, i.e., without

(a) the defendant raising a Section 30(2)(e) defence,

(b) the plaintiff pleading invalidity of the defendant's trade mark in response thereto,

(c) the Court being satisfied that the plea of invalidity raised by the plaintiff is tenable,

(d) an issue being framed by the Court in that regard,

(e) the suit being adjourned by a period of three months in order to enable the defendant to initiate rectification proceedings,

(f) rectification proceedings being initiated by the defendant within the said period and

(g) trial of the suit being stayed, pending the outcome of the rectification proceedings?

OR

Whether the *mere incorporation,* in the plaint, of a plea that the registration of the defendant's trade mark is invalid, is sufficient to empower the Court to injunct the defendant from using its registered trade mark on the ground of *prima facie* infringement, without proceeding through steps (a) to (g) above?

(iv) Whether, therefore, the judgement in *Raj Kumar Prasad v Abbott Healthcare (P) Ltd* can be said to be laying down the correct legal position, particularly in para 18 thereof?

24. As the answer to these issues would affect the outcome of this appeal, we defer passing final orders in the appeal, pending resolution of the aforesaid disputes by a Full Bench.

25. Re-notify the appeal on 7 July 2025 for hearing.

26. The Registry is directed to place this order before Hon'ble the Chief Justice expeditiously, as the issue referred impacts a large number of cases.

C. HARI SHANKAR, J.

AJAY DIGPAUL, J.

MAY 13, 2025
aky/yg/ar

Click here to check corrigendum, if any