$~24 to 26

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

\+ FAO(OS)(IPD) 1/2023

DASAPRAKASH RESTAURANT AND ICE CREAM PARLOUR PVT LTD & ANR .....Petitioners

Through: Mr. Joshy John, Mr. Manav Vohra, Ms. Kavita Nailwal and Ms. Pranjul Jain, Advocates

versus

MYSORE DASAPRAKASH AND ORS .....Respondents

Through: Mr. Tishampati Sen, Ms. Riddhi Sancheti, Mr. Anurag Anand and Mr. Mukul Kulhari, Advocates

\+ FAO(OS)(IPD) 2/2023

DASAPRAKASH RESTURANT AND ICE CREAM PARLOUR PVT LTD & ANR .....Petitioners

Through: Mr. Joshy John, Mr. Manav Vohra, Ms. Kavita Nailwal and Ms. Pranjul Jain, Advocates

versus

MYSORE DASAPRKASH AND ORS .....Respondents

Through: Mr. Tishampati Sen, Ms. Riddhi Sancheti, Mr. Anurag Anand and Mr. Mukul Kulhari, Advocates

\+ FAO(OS)(IPD) 3/2023

DASAPRAKASH RESTAURANT AND ICE CREAM PARLOUR PVT LTD & ANR .....Petitioners

Through: Mr. Joshy John, Mr. Manav Vohra, Ms. Kavita Nailwal and Ms. Pranjul Jain, Advocates

versus

MYSORE DASAPRAKASH AND ORS .....Respondents

Through: Mr. Tishampati Sen, Ms. Riddhi Sancheti, Mr. Anurag Anand and Mr. Mukul Kulhari, Advocates

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

JUDGMENT (ORAL)

% 21.01.2026

C. HARI SHANKAR, J.

1. We have taken up these appeals consequent on directions issued by the Supreme Court in order dated 22 September 2015 in Civil Appeals 7884-86/2015.

2. Civil Appeals 7884-86/2015 challenged judgment dated 28 August 2009 passed by a Division Bench of the High Court of Madras which, in turn, upheld the judgment dated 12 November 2008 of a learned Single Judge of the High Court of Madras, adjudicating OAs 1072-1074/2008 filed by the respondents in CS 945/2008[1].

3. As these proceedings germinated in the High Court of Madras, it is also necessary to note how we have come to exercise jurisdiction in the matter.

4. CS 945/2008 was transferred to this Court by the Supreme

[1] **Mysore Dasaprakash and Anr v. Dasaprakash Restaurant and Ice Cream Parlor Pvt. Ltd. & Ors**

Court by order dated 22 August 2017 and now stands renumbered by the Registry of this Court as CS (OS) 344/2017. Subsequently, applications were filed by the respondents before the Supreme Court seeking transfer of the present appeals from the High Court of Madras to this Court. By order dated 7 July 2023, the Supreme Court transferred the present appeals to this Court. It is thus that these appeals have come up before us.

5. We may note that CS (OS) 344/2017 is presently pending before the Intellectual Property Division of this Court and was last listed on 1 December 2025.

6. The order dated 22 September 2015, whereby the Supreme Court set aside the judgment dated 28 August 2009 of the Division Bench of the High Court of Madras and directed reconsideration of the matter by the Division Bench, noted the fact that the Division Bench of the High Court of Madras had not considered all aspects while passing judgment dated 20 August 2009. It was in these terms that the matter was remanded to the Division Bench for *de novo* consideration.

7. We have heard Mr. Joshy John, learned counsel for the appellant and Mr. Tishampati Sen, learned counsel for the respondent, at length.

8. The issue in controversy has considerably narrowed down, as a consequence of a recent judgment rendered by a learned Single Judge

of the High Court of Madras in CMA (TM) 2/2023[2]. We would come to the said judgment by and by.

The *lis*

9. The respondents contended, in the plaint forming subject matter of CS 945/2008, that Respondent 1 Mysore Dasaprakash was a firm, which was the registered owner of the DASAPRAKASH wordmark, registered under Section 18 of the Trade and Merchandise Marks Act, 1958. It was alleged, in the plaint, that the appellants were using the mark DASAPRAKASH for allied and cognate services without authorization and that, therefore, they were infringers of the mark.

Facts

10. Sitarama Rao, admittedly the originator of the DASAPRAKASH mark, had eight sons. The plaint instituted by the respondent averred that Sitarama Rao, with his sons K. Balakrishna Rao, K. Balrama Dass, K. Bhagavan Dass and Mr. K. Ramadas, had applied on 30 January 1962 for registration of the word mark DASAPRAKASH in Class 30. Apparently, the mark was registered in favour of the aforesaid applicants in 1963 in Class 30 for ice creams. The plaint averred that this registration was renewed subsequently and still continues to subsist and remain in force. Inasmuch as, despite service of summons, the appellants did not respond, and OAs 1072-1074/2008 were decided by the learned Single Judge ex *parte*, we

[2] **Dasprakash Restaurant and Ice Cream Parlour Pvt. Ltd. v. Deputy Resgistrar of Trademarks Intellectual Property Office Building GST Road and Ors., 2025 SCC OnLine Mad 12562**

have to treat these averments, as contained in the plaint, as correct for the purposes of the present appeals.

11. A Family Arrangement dated 3 May 1989 was executed among the sons of Mr. Sitarama Rao and one K. Ganga Prasad. Clause 16 thereof read as under:

> "16. It was further agreed to by all of us that of the sons of late K. Seetharama Rao of their legal representatives can use the brand name of "Dasaprakash" or "Dasaprakash Ice Creams" or any combination of the term Dasaprakash in any part of India. However, it was clearly understood among them that in such an event the said party or his / her respective legal heirs must remain in such undertaking if outsiders are taken into the said undertaking as a participant in any capacity whether as director or as a major share holder or as a partner.

A reading of clause 16 reveals that the sons of Mr. Sitarama Rao as well as their legal representatives were permitted to use the brand names DASAPRAKASH and DASAPRAKASH ICE CREAMS. However, if outsiders were taken into the undertaking, which would be using the said brand name, the right to use the brand name would continue till the concerned family member remained a Director, a major shareholder or a partner in the undertaking.

12. On 16 January 2001, a Memorandum of Understanding[3] was executed *inter alia* between Laxmi Raman, Appellant 2 in the present appeals, who is a promoter of the Appellant 1 company and K. Balakrishna Rao, one of the sons of K. Sitarama Rao. The following clauses of the said MOU merit reproduction:

[3] "MOU", hereinafter

"MEMORANDUM OF UNDERSTANDING

1. Whereas party of the first part is the proprietor of DASAPRAKASH Chain of Restaurants all over India since 1988 operating under franchise agreements.

******

3. WHEREAS Party of the First Part intends to sale/transfer all the franchise agreements, except all the franchises agreement existing in Delhi and Madras (as referred at Sr. No. 1 to Sr. No. (illegible) above to a (illegible) Pvt. Ltd. Company DASAPRAKASA RESTAURANT AND ICECREAM PARLOUR PRIVATE LIMITED, JAIPUR (hereinafter referred to as the Company) w.e.f. 15th January, 2001.

4. Shri K. Balakrishna Rao is entitled to open any restaurant in India or abroad as per family settlement and he also intends to transfer such right to use the name Dasaprakash, to the Company, as he is one of the promoter of this company.

*****

6. That the shareholding pattern of the company would be as follows:

1. Party of the First Part 40%
2. Party of the Second Part 20%
3. Party of the Third Part 20%
4. Party of the Fourth Part 20%

7. That party of the First Part hereby agrees to transfer all franchise agreements pertaining to the operations at Agra, Lucknow, Kanpur, Jaipur and Chandigarh for a consideration of Rs. 50.00 Lacs (Rupees Fifty Lacs only) alongwith 40% shareholding in the company and the Party of the Second Part with its associates hereby agrees to acquires all the rights, titles and interest consisting of goodwill, running business, brand name "DASAPRAKASH" and respective Bank accounts free from all encumbrances and liabilities in the name of the company.

8. Since the existing units situated in Delhi and Madras will be operated by party of the First Part therefore any existing or further liability of existing Delhi & Madras units will be the responsibility of party of the First Part only and the company will not be liable for any liability related to the above said units.

9. That party of the second Part with its associates has paid Rs. 10.00 lacs (Rupees Ten Lacs Only) vide cheque No. 615440 dt.

16.01.2001 drawn on Punjab National Bank, I.B.B. Sarojani Marg, Jaipur as an advance payment towards the goodwill and the party of the First Part hereby acknowledges the receipt of the advance amount which shall be adjusted towards the total consideration within 30 days from the receipts of "NO DUES" from the existing franchises the balance amount of consideration of Rs. 40.00 Lacs (Rupees Forty Lacs only) shall be paid. The payment of the balance 40 lacs will be made after adjustment of existing liabilities of the 5 units, if any.

10. That the party of the First Part hereby assure to the party of the Second Part with its associates that the rights from all encumbrances, charge, mortgage, lien, prohibitory order, attachment notice of demand from income tax authorities or any other authorities or persons whomsoever, Party of the First Part further assures that there is no legal impediment in transferring the franchise agreements.

11. Party of the First Part hereby agrees that it will not open/ operate any restaurant in the name of Dasparakash or in any other name in future except the existing franchisee agreements in Delhi and it has been decided by both the parties that any restaurant opened in future, in India or abroad will be operated through the agreements entered with the company only. The railway catering business, if started will solely be owned by the party of the First Part.

*****

13. Party of the First Part will continue to provide its technical services/expertise to run the restaurant as technical and working director in future and a consideration of Rs. 30,000/- (Rupees Thirty Thousand only) P.M. inclusive of travelling and daily allowance and expenses will be paid to party of the First part for the services referred above. This will be reviewed on March, 1st 2002. Both, the party of the First part and the Party of the Second part with its associates will manage the company affairs as directed by the Board of Directors."

13. A little over two months after the execution of the aforesaid MOU, the High Court of Madras passed an interim order in Insolvency Petition 34/2001[4] on 22 March 2001, adjudging K. Balakrishna Rao as insolvent.

14. While the aforesaid order was in force, K. Balakrishna Rao entered into an agreement dated 11 November 2001 with the appellants, pursuant to the MOU dated 16 January 2001, Clause 3 of which, reads thus :

> "3. That the first party has on this day transferred all franchise agreement of the Dasaprakash restaurants pertaining to the operation of its business at Agra, Lucknow, Kanpur, Jaipur and Chandigarh along with 40% shared in the company as per M.O.U for a consideration of Rs.50 (Fifty) Lakhs. From, this date the second party has acquired all the rights, title and interests consisting of goodwill, running illegible, brand name, trademark "Dasaprakash" along with allied marks i.e., Logo "D" with in crown written in a stylized manner, respective bank accounts free from all encumbrances and liabilities."

15. The order dated 22 March 2001 adjudging K. Balakrishna Rao as insolvent was made absolute by the High Court of Madras by order dated 25 September 2003.

16. In these circumstances, the respondent instituted CS 945/2008 before the High Court of Madras, alleging that the use, by the appellants, of the DASAPRAKASH brand name after the interim order dated 22 March 2001 declaring K. Balakrishna Rao insolvent, constituted infringement of the right conferred on the respondents to use the mark pursuant to the registration of the mark in favour of Sitarama Rao and his four sons with effect from 30 January 1962. This stands transferred to this Court by the Supreme Court and is presently pending before the IPD of this Court.

---

[4] **Re. K. Balakrishna Rao**

17. In the aforesaid suit, the respondents filed three OAs, 1072 to 1074/2008, which stand allowed by the impugned order of the learned Single Judge of the High Court of Madras.

18. Summons were issued in the suit. Mr. John candidly acknowledges that the appellants did not respond to the summons or filed any written statement traversing the assertions in the plaint. In these circumstances, the learned Single Judge of the Madras High Court, by the impugned order dated 12 November 2008, allowed the prayer of the respondents for an interim injunction restraining the appellants from using the DASAPRAKASH mark. We may reproduce the terminal paragraph of the order passed by the learned Single Judge thus:

> "4. A reading of the said clause will show that no other person excepting the nine persons who were parties to the said family arrangement can use the Trade name and Trade mark. Only one exception has been provided in the said family arrangement i.e. if any one of the said nine persons or their family members happen to be associated with an outside undertaking in the capacity as Director or a major shareholder or a partner, then so long as such family member remains in the said undertaking in such capacity, the said undertaking can use the trade name or trade mark. In this case it is the consistent case of the applicants that one of the family members, namely Balakrishna Rao was a major share holder of the first defendant company and as such the said company was using the said trade name and trade mark 'DASAPRAKASH' legally so long as the said Balakrishna Rao remained as the major shareholder and that now the said Balakrishna Rao ceased to be a share holder pursuant to which the use of the trade name and trade mark by the first defendant company or the defendants 2 to 4 has become unauthorized. As the same has not been denied by the respondents entitled to deny it the said contention prima facie is sustainable. Therefore, this Court comes to the conclusion on that the applicants have made out a prima facie case and that the balance of convenience also remains in their favour. Accordingly, all these applications are allowed and injunction is granted as prayed for till disposal of the suit."

19. Aggrieved by the aforesaid order of the learned Single Judge, the appellants filed original side appeals, OAs 428-430/2008 before the Division Bench of the High Court of Madras which, by judgment dated 28 August 2009, dismissed the appeals. As we have already noted that order now stands set aside by the Supreme Court and the matter stands remanded to the Division Bench for reconsideration.

Analysis

20. At a bare glance, it is clear that the impugned order dated 12 November 2008 of the learned Single Judge of the High Court of Madras is substantially unreasoned. In fact, the learned Single Judge has proceeded on the premise that the assertions in the plaint filed by the respondents were not denied by the appellant which is contrary to the observations by the learned Single Judge earlier in the order that the appellants were proceeded *ex parte*. The learned Single Judge has, in these circumstances, merely accepted the respondents' stand that Balakrishna Rao and, therefore, the present appellant, could not continue to use the mark DASAPRAKASH after he had ceased to be a shareholder in the appellant company.

21. Mr. John submits that, in fact, Balakrishna Rao continues to remain a shareholder in the appellant company and that, therefore, the finding of the learned Single Judge is not correct.

22. As against this, Mr. Sen points out that Clause 16 of the Family Arrangement entitled the sons of K Sitarama Rao or their legal representatives to use the mark DASAPRAKASH or

DASAPRAKASH ICE CREAMS, *inter alia* through any undertaking which involved outsiders, till such family member continued in the undertaking as a Director *or a major shareholder* or a partner. Mr. Sen points out that Balakrishna Rao was only a 10% shareholder in the appellant company and could not, therefore, be treated as a Director, or a major shareholder, or as a partner therein and that, therefore, the continued use of the mark DASAPRAKASH or DASAPRAKASH ICE CREAMS by the appellant was in the teeth of Clause 16 of the Family Arrangement.

23. Mr. Sen endeavours, however, to further submit that these aspects do not require any detailed examination by this Court as they stand addressed by a learned Single Judge of the High Court in a well-reasoned judgment dated 16 December 2025 in CMA (TM) No. 2 of 2023. That judgment was rendered on an appeal filed by Appellant 1 under Section 19(1) of the Trade Marks Act, 1999, which, in turn, arose from a challenge by the appellant to the grant of the trademarks DASAPRAKASH and HOTEL DASAPRAKASH to the respondents vide Registration 309327 in class 30. In the said challenge, the appellants asserted their right to use the DASAPRAKASH and HOTEL DASAPRAKASH trade marks on the basis of the MOU dated 16 January 2001 *supra*. This contention stands thus recorded in para 3 of the order of the learned Single Judge dated 16 December 2025.

> "3. As per the MOU, the proprietor agreed to sell/transfer all the Franchise Agreement except the Agreements in Delhi and Madras to a proposed newly incorporated private limited company. The Proprietor was entitled to open any restaurant in India or abroad as per a family settlement and by virtue of the same, he

wanted to transfer that right to use the name of "Dasaprakash" to the appellant Company. A sum of ₹ 50 Lakhs along with 40% shareholding in the Company was given in favour of the proprietor and the proprietor agreed to transfer all the Franchisee Agreements pertaining to operations at Agra, Lucknow, Kanpur, Jaipur and Chandigarh."

24. The learned Single Judge has ultimately dismissed the appellants' appeal, holding thus:

"19. Yet another issue that was brought to the notice of this Court is with respect to what was ultimately allotted in terms of shares, in favour of the said Balakrishna Rao. The said Balakrishna Rao while giving his statement before the Official Liquidator made it clear that he was only allotted 10% of the shares in the appellant Company as against the original 40% that was agreed upon. Thus, the said Balakrishna Rao was not a majority shareholder and therefore, he could not transfer any right or title in favour of the appellant Company, since the requirement under Clause 16 of the Family Arrangement dated 03.05.1989 has not been fulfilled.

20. There is yet another vital issue that stares against the appellant Company. The said Balakrishna Rao filed an Insolvency Petition in I.P.No.34 of 2001 and an interim order was passed on 22.03.2001 adjudging him as an Insolvent and thereby, all the estate and effects of the insolvent stood vested in the Official Assignee of this Court. In such an event, Balakrishna Rao will not have the right to enter into any Agreement and if any such Agreement is entered into, it will be the nonest in the eye of law. While facing this disqualification, the subsequent Agreement is said to have been entered into between Balakrishna Rao and the appellant on 11.11.2001. On the day when the said Balakrishna Rao is said to have been entered into an Agreement, he is legally incompetent and this Agreement itself is void *ab initio.*

21. The learned counsel for the appellant submitted that the appellant was kept in dark regarding the insolvency proceeding initiated by Balakrishna Rao and that the appellant is entitled for being treated as one of the co-proprietors of the trademark and therefore, the appellant is entitled to submit Form TM-24 in this regard where the appellant sought to include their name as the co-owner of the Trademark "Dasaprakash".

22. As stated *supra*, the Trademark "Dasaprakash" was a family Mark and it was jointly owned by the legal heirs of the

deceased Seetharama Rao. Therefore, one of the proprietors cannot transfer the rights in favour of any person or entity. On a demurrer, even if it is assumed that Balakrishna Rao can transfer his share/right in favour of the appellant Company, such right was lost after the said Balakrishna Rao was adjudged as an Insolvent."

25. Thus, the learned Single Judge of the High Court has clearly returned findings adverse to the appellants with respect to the appellants' right to use the trade mark DASAPRAKASH. The learned Single Judge has held, *inter alia*, that

(i) Balakrishna Rao was only a 10% shareholder in the Appellant 1 company, as against 40% as envisaged in the MOU dated 16 January 2001,

(ii) Balakrishna Rao was not, therefore, a majority shareholder,

(iii) Balakrishna Rao could not, therefore, transfer any right to use the DASAPRAKASH mark to the appellant company in terms of Clause 16 of the Family Arrangement,

(iv) once Balakrishna Rao had been adjudged an insolvent by the High Court of Madras on 22 March 2001, any agreement executed by Balakrishna Rao would be legally *non est*,

(v) thus, the agreement dated 11 November 2001 was of no legal or binding force or effect and was *void ab initio*,

(vi) the trade mark DASAPRAKASH was a family mark jointly owned by the legal heirs of Sitarama Rao and could not, therefore, have been transferred by one of the proprietors to any third party, and

(vii) even if, on a demurrer, it were to be presumed that such a right vested in Balakrishna Rao, that right stood extinguished on Balakrishna Rao having been adjudged as an insolvent by the

High Court of Madras on 22 March 2001.

26. The judgment dated 16 December 2025 stands undisturbed till date, though Mr. John submits that a review petition has been filed before the High Court of Madras.

27. The aforenoted judgment dated 16 December 2025 of the High Court of Madras makes out a clear *prima facie* case in favour of the respondents and against the appellants, insofar as the entitlement of the appellants to use the mark DASAPRAKASH is concerned.

28. The appellants do not claim to be registered owners of the proprietors of the trade mark DASAPRAKASH. They were tracing their entitlement to use the mark to the MOU dated 16 January 2001 and the subsequent agreement dated 11 November 2001. At the highest, therefore, they could claim to be permissive users of the mark within the meaning of Section 29 of the Trade Marks Act, 1999.

29. Once the learned Single Judge of the High Court has held that the appellants did not retain the permission to use the mark after K. Balakrishna Rao had been adjudged insolvent, the appellants cannot be treated as permissive users of the mark. The mark in question is the very mark which is registered in favour of the respondents. The use by the appellants of the mark are for restaurants and other such activities which are allied and cognate to the activities in respect of which the mark is registered in favour of the respondents.

30. A case, therefore, of *prima facie* infringement, resulting in

likelihood of confusion, within the meaning of Section 29(2)(b)[5] of the Trade Marks Act, is made out.

31. Where a *prima facie* case of infringement is made out, the Supreme Court has, in ***Midas Hygiene Industries (P) Ltd. v. Sudhir Bhatia***[6] , clearly held that an injunction must follow.

32. As a result, we endorse the decision of the learned Single Judge allowing OA 1072 to 1074 of 2008 filed by the respondents in CS 945 of 2008, albeit for our own reasons cited *supra*. The appellants, as well as all others acting on their behalf, would stand restrained from using the mark DASAPRAKASH or any other mark which may be deceptively similar thereto, in respect of ice creams, restaurants or any other allied or cognate goods or services, pending disposal of the suit.

33. The appeals are, accordingly, dismissed with no orders as to costs.

34. Mr. John prays that it may be clarified that all other defences raised by the appellants should remain open to be taken up in the suit which is pending before this Court.

35. We clarify that we have not addressed any other aspect of the

---

[5] **29. Infringement of registered trade marks**

*****

(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—

*****

(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

[6] **(2004) 3 SCC 90**

matter and that all issues would be available for being urged before the learned Single Judge in the suit.

36. We further clarify that the present order is a mere *prima facie* expression of opinion for the purposes of deciding the respondents' request for interim relief and should not be treated as binding on the Commercial Court while adjudicating the suit.

C. HARI SHANKAR, J.

OM PRAKASH SHUKLA, J.

JANUARY 21, 2026/yg