



2025:DHC:4521



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

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Reserved on: April 25, 2025

Pronounced on: May 28, 2025

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CS(COMM) 1180/2018

STEELCASE INC.

.....Plaintiff

Through: Mr. Anirudh Bakhru, Ms. Ekta Sarin,
Ms. Mugdha Palsule and Mr. Mohd.
Umar, Advocates

Versus

MR. K.J. BHUTA AND ANR.

.....Defendants

Through: Mr. Alankar Kirdikar, Mr. Jaspreet S.
Kapur, Mr. Wasim Ansari and Ms.
Shweta, Advocates for D-1
Mr. Naman Tandon and Mr. Kuber
Mahajan, Advocates for D-2

CORAM:

HON'BLE MR. JUSTICE SAURABH BANERJEE

J U D G M E N T

I.A. 11463/2019 (*Under Section 124 of the Trade Marks Act, 1999 for stay of proceedings by defendant no.1*)

1. *Vide* this application under *Section 124* of the Trade Marks Act, 1999¹, the defendant no.1 seeks stay of the proceedings in the captioned suit instituted by the plaintiff for permanent injunction and relief *qua* infringement of copyright against the defendants for wrongful/ illegal use of the plaintiff's trademark "STEELCASE" registered under multiple Classes of the TM Act, as a part of the defendant no.1's trade name "M/s. STEEL CASE INDIA PRIVATE LIMITED".

¹ TM Act



2. As per the amended plaint, the plaintiff was earlier operating under the trade name “STEEL CASE” in the United States of America (USA) since 1920, and now under the trade name “STEELCASE INC”. The plaintiff is in India since the year 2000. It is engaged in the business of selling, *inter alia*, office furniture and architectural products for offices and healthcare industries. It is also the registered proprietor of the trademark “STEELCASE” in *Class(s) 9, 11, 16 and 20* of the TM Act, since the year 1995.

3. The defendant no.1 is operating under the trade name “M/s. STEEL CASE INDIA PRIVATE LIMITED” in the same trade channel and uses the domain name “www.steelcaseindia.com”. The same, as per the plaintiff, is identically similar to its trademark “STEELCASE” and that the defendant no.1 is capitalising on the trademark “STEELCASE”, registered in its favour since 1995.

4. However, as per the amended written statement, defendant no.1 is an established firm running its operations in India since 1981 under the trade name “M/s. STEEL CASE INDIA PRIVATE LIMITED”. In fact, as per defendant no.1, though the plaintiff had on 25.10.1968 *vide* application no.52483 applied for registration for the trademark “STEELCASE” in *Class 20* on a ‘*proposed to be used*’ basis, the same was abandoned. Thereafter, in 1995, the plaintiff once again on 11.07.1995 applied for registration of the trademark “STEELCASE” in *Class 20 vide* application no.672781 on a “*proposed to be used*” basis and secured registration of the trademark “STEELCASE” in *Class 20*. Since the defendant no.1 is the prior user of the



mark “STEELCASE” since 1981, and the plaintiff has secured registration later on in 1995, it cannot seek any relief against the defendant no.1.

5. Under these circumstances, the defendant no.1, has filed this application under *Section 124* of the TM Act seeking permission to file rectification proceedings against the registrations for the trademark “STEELCASE” of the plaintiff, and also seeks a stay order *qua* the trial in the captioned suit until the final disposal thereof.

6. Mr. Alankar Kirdikar, learned counsel for the defendant no.1, commenced his arguments by submitting that the plaintiff, after first filing an application for registration of the trademark “STEELCASE” in *Class 20 vide* trademark application no.252483 on a ‘*proposed to be used*’ basis on 25.10.1968, which was abandoned, subsequently after objections raised by the Examiner, again filed application no.67278 for registration of the trademark in the same *Class 20* on 11.07.1995. In view of the above, since the defendant no.1 was using the trade name “M/S. STEEL CASE INDIA PRIVATE LIMITED” from 1981, it is the prior user of the mark “STEELCASE”.

7. Placing reliance upon *Lupin Ltd. v. Johnson and Johnson*² and *Franco India Pharmaceuticals vs Corona Remedies Pvt. Ltd.*³, Mr. Alankar Kirdikar submitted that this Court has the power to assess the issue of invalidity of a registered trademark even at the interlocutory stage and the standard required to establish a *prima facie* case for such an assessment is of

² 2015(1) Mh.L.J

³ COMMERCIAL IP SUIT NO. 105 OF 2022



a lower threshold *vis-à-vis* the more stringent requirements under other statutory provisions governing the grant of interim injunctive relief. Relying thereon, Mr. Alankar Kirdikar submitted that in view of the abandonment of application for registration of the trademark “STEELCASE” dated 25.10.1968 by the Examiner, the same is ‘*descriptive*’ and thus, the question of invalidity thereof is open.

8. *Per Contra*, Mr. Anirudh Bakhru, learned counsel for the plaintiff, submitted that the defendant no.1 has not pleaded anything qua invalidity of the plaintiff’s trademark “STEELCASE” and that, in any event, there is no evidence qua usage of the trade name “M/S. STEEL CASE INDIA PRIVATE LIMITED” by the defendant no.1 prior to the year 1981.

9. Relying upon *McCarthy on Trademarks & Unfair Competition, 5th Edition, Volume 2⁴*, Mr. Anirudh Bakhru submitted that as per the test of descriptiveness, the mark in assessment must clearly and directly describe the ingredients/ features and/ or characteristics of the goods or services it represents, without requiring any interpretation/ imagination/ deductions. In this case, the plaintiff’s trademark “STEELCASE” is not ‘*descriptive*’. In any event, it is a ‘*distinctive mark*’ due to the continuous use thereof.

10. Mr. Anirudh Bakhru then relying upon *Burger King Corporation vs. Ranjan Gupta and Others*⁵ and *Pepsico Inc. v. Parle Agro (P) Ltd.*⁶ submitted that the test of ‘*prima facie tenability*’ is to safeguard the

⁴ J. Thomas McCarthy, “McCarthy on Trademarks and Unfair Competition”, Fifth Edition, Vol. 2, Thomson West, 2003.

⁵ 2023 SCC OnLine Del 1383

⁶ CS(COMM) 268 of 2021



plaintiff's trademark from frivolous litigation in the form of a counterblast to the suit instituted against them and the provisions of *Section 124(1)(b)(ii)* of the TM Act are not to be misused and therefore has to pass the test of '*prima facie tenability*' of the challenge to validity.

11. Mr. Alankar Kirdikar, controverting the submissions made by Mr. Anirudh Bakhru, reiterated the same submissions made by him before in the opening stand.

12. This Court has heard Mr. Alankar Kirdikar, learned counsel appearing for the defendant no.1, as also Mr. Anirudh Bakhru, learned counsel appearing for the plaintiff and gone through the relevant documents on record along with the judgments cited in support thereof.

13. To fall within the ambit of *Section 124(1)(b)(ii)*⁷ of the TM Act, a Court has to be "*satisfied*" that the "*plea regarding invalidity*" of a registration of a trademark is "*prima facie tenable*" to "*raise an issue regarding the same*". Thus, for raising an issue qua invalidity of a trademark, the defendant no.1 has to convince/ establish that the issue qua

⁷ **124. Stay of proceedings where the validity of registration of the trademark is questioned, etc.**

(1) Where in any suit for infringement of a trademark-

(a) the defendant pleads that registration of the plaintiff's trademark 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 trademark, 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 Appellate Board, 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 Appellate Board for rectification of the register.



maintainability of a trademark is justifiable and that it is justifiable/ rational/ plausible defence.

14. While there is no bar for anyone to approach a Court for seeking permission to file a rectification petition under *Section 124(1)(b)(ii)* of the TM Act, however, as entailed above, the essential elements of the said Section must still be satisfied. Thus, the provisions under *Section 124(1)(b)(ii)* of the TM Act are not available to anyone as a matter of right. If it were so, all rectification petitions under *Section 124(1)(b)(ii)* of the TM Act would be mandatorily allowed, as is apparent from the phraseology used therein and that is not the legislative intent. It is a straight road ahead, but not without speed breakers/ hurdles in the way. It is also important to note that one cannot forget/ forego that the provisions of *Section 124(1)(b)(ii)* of the TM Act must be read in tandem with those envisaged in *Section 29* of the TM Act.

15. Coming to the facts involved herein, qua the invalidity of the trademark “STEELCASE” of the plaintiff, the defendant no.1 has pleaded in its amended written statement as under:-

“28.First objection raised by the examiner pertained to providing the date of use of the trademark by the Plaintiff. Second objection raised by the examiner was that the word 'STEELCASE' constituting the mark has a direct reference to the character or quality of the goods and as such the mark does not qualify for registration under the Trade and Merchandise Marks Act, 1958. It is pertinent to mention that since the Plaintiff failed to reply to the objections raised by the examiner, the said trade mark application was abandoned. The Plaintiffs Trade Mark Application No. 302875 dated 06.12.1974 was also abandoned.



29.*It is most humbly submitted that all the aforesaid trademark registrations are wrongly remaining on the register inasmuch as the Plaintiff has not acquired distinctiveness in mark STEELCASE as the said mark was not used by the Plaintiff in India prior to 1995 which is evident from its trademark applications filed on a 'proposed to be used' basis. In other words, the mark STEELCASE which was observed to be descriptive by the Trademarks Examiner in 1969, could not have acquired distinctiveness in 1995 without the required open and continuous use of the Trade Mark on vendible products is proved by way of cogent and reliable evidence. Therefore, as on the date of filing of the said trademark applications by the Plaintiff in the year 1995, the Plaintiff's mark STEEL CASE was descriptive as per the trademarks examiner and hence all the registrations obtained by the Plaintiff for the mark STEEL CASE have been wrongly obtained and deserve to be rejected and the Trade Marks register should be accordingly rectified."*

[Emphasis Supplied]

16. Barring this, there is/ are no other pleading(s) anywhere qua the invalidity of the trademark "STEELCASE" of the plaintiff. As entailed hereinabove, the said pleadings being bald assertions, are open ended and require an analysis/ elucidation thereof. There is nothing of the sort which can conclusively and/ or fairly read as to 'invalidity' of the trademark "STEELCASE" of the plaintiff throughout the pleading(s) made by the defendant. Thus, they hold no water. The aforesaid are not sufficient for crossing the threshold of *Section 124(1)(b)(ii)* of the TM Act.

17. Also, though the plaintiff is engaged in carrying on business of manufacturing and selling furniture under the trademark "STEELCASE" but that in itself cannot/ does not make it *per se* 'descriptive', more so, as it does not have any direct nexus or describes the type of goods or services offered by the plaintiff without any interpretation/ imagination/ deductions. At best,



the trademark “STEELCASE” of the plaintiff can be ‘*suggestive*’ since it may be associated with or connected with the same line of business, but that is not sufficient. All marks which are/ can be ‘*suggestive*’ are not ‘*descriptive*’, particularly, if a trademark indicates information about the product/ services vaguely and ambiguously. Additionally, for a trademark to be ‘*descriptive*’, it must directly and without additional inference, convey information of the ingredients, qualities, and/ or characteristics of the goods/ services for which it is used. The relevant extract from *McCarthy (supra)* are reproduced as under:-

“To be placed in the “descriptive” category, a designation must directly convey some information about this product or service. The tests for determining the critical distinction between the “descriptive” and “suggestive” categories are described at sections 11:66 to 11:71. If the information about the product or services given by the designation is indirect or vague, requiring imagination and thought to get information about the product or service, then this indicates that the term is being used in a “suggestive,” not descriptive, manner. This is sometimes called the “imagination test.”

A mark is merely descriptive if it immediately conveys to one seeing or hearing it knowledge of the ingredients, qualities, or characteristics of the goods or services with which it is used; whereas, a mark is suggestive if imagination, thought or perception is required to reach a conclusion on the nature of the goods or services.”

[Emphasis supplied]

18. Once again, this Court reiterates that the pleadings made by the defendant no.1 do not *prima facie* fall within the ambit of Section 124(1)(b)(ii) of the TM Act. In view thereof, the earlier (abandoned) application for registration of the trademark “STEELCASE” in Class 20 by the plaintiff cannot form the basis of the present application. The same is too



narrow interpretation sought to be given by the defendant no.1. Abandonment of a trademark may be due to various reasons, the report of the Examiner, as in the present case, may be one of them. However, under the present scenario that is not itself sufficient to conclude that the trademark “STEELCASE” in *Class 20* by the plaintiff can be called to be ‘*descriptive*’ merely because it can be interpreted so. Therefore, this Court is not satisfied that there is/ are any “*prima facie tenable*” and/ or “*plea regarding invalidity*” made out by the defendant no.1. This application under *Section 124(1)(b)(ii)* of the TM Act is but a counterblast, which ought to be nipped at the bud rather than proceeding with frivolous litigations. This Court finds able support in ***Burger King (supra)*** wherein a co-ordinate bench of this Court held as under:-

“11. A perusal of sub clause (b)(ii) of Section 124(1) of the Act shows that the Court has to be satisfied that the plea regarding the invalidity of registration of the trademark is prima facie tenable. Thereupon, the Court may raise an issue regarding the same and adjourn the case for a period of three months from the date of framing of the said issue to enable the concerned party to apply for rectification of the register. It is significant to note that there is no “or” between the words “prima facie tenable” and “raise an issue regarding the same”. In fact, the aforesaid phrases are separated by which means that the Court will proceed to frame the issue with regard to invalidity of the registration of the trademark only upon being satisfied that the plea of invalidity is prima facie tenable. Thereupon, the defendant can file a rectification petition.”

[Emphasis supplied]

19. Additionally, a co-ordinate Bench of this Court has also held in ***Pepsico (Supra)*** as under:-

““69. The scope and import of the expression “tenable” as employed in Section 124(1)(a)(ii) can perhaps be better appreciated if one examines



the consequences of a finding, by the court, under the said provision, that the plea of invalidity of the plaintiff's trade mark, as raised by the defendant, is "prima facie tenable". The use of the expression "prima facie" is also, in this connection, of no little significance. The Court, while exercising its subjective satisfaction in terms of Section 124(1)(a)(ii) is, therefore, only required to satisfy itself regarding the "prima facie tenability" of the challenge, by the defendant, to the plaintiff's trade mark - or vice-versa. It has to be remembered that, if the court finds the challenge to be prima facie tenable, the court only proceeds to frame an issue and adjourn the proceedings to enable the defendant - or the plaintiff, as the case may be - to prefer a rectification proceeding.

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77. "Prima facie tenability", within the meaning of Section 124(1)(ii) of the Trade Marks Act, therefore, would imply only a prima facie view that the challenge to the validity of the mark of the opposite party, as raised in the plaint or in the written statement, is a challenge worth consideration. It cannot amount, in any manner of speaking, to an expression of opinion, even tentative or perfunctory, regarding the merits of the said challenge.

78. The view regarding the prima facie tenability of the challenge of the validity of the mark of the opposite party, as expressed by the court under Section 124(1)(a)(ii) is, therefore, a mere view regarding the arguability of the challenge. It cannot pronounce, to any extent at all, on the merits of the challenge. The Court is, therefore, while examining the prima facie tenability of the challenge to the validity of the mark, under Section 124(1)(a)(ii), only required to satisfy itself that the pleadings are sufficient to make out a challenge worth considering, whatever be the merits of the challenge."

[Emphasis supplied]

20. In a nutshell, under the existing circumstances, no tenable challenge to the validity of the plaintiff's trademark 'STEELCASE' by the defendant no.1 is simpliciter made out.

21. ***Lupin Ltd. (supra)*** rendered by a Full Bench of the Hon'ble Bombay High Court, and cited by Mr. Alankar Kirdikar, is not applicable since it has



to be demonstrated that the registration granted is completely illegal/ fraudulent and/ or which shocks the conscience of the Court. The defendant no.1 herein has not been able to make out any such case. Similarly, ***Franco India Pharmaceuticals (supra)***, a recent judgment rendered by a learned Single Judge of the Bombay High Court, and cited by Mr. Alankar Kirdikar, is also not applicable since the learned Single Judge therein was convinced that there were sufficient pleadings made out to frame an issue thereof. Once again, the defendant no.1 herein has not been able to make out any such case so as to be given the benefit of *Section 124 (i)(b)(ii)* of the TM Act.

22. Accordingly, for the foregoing reasons, the present application filed by defendant no.1 under *Section 124 (i)(b)(ii)* of the TM Act is dismissed with no order as to costs.

CS(COMM) 1180/2018 and I.A. 3813/2021

23. List for framing of issues on 29.08.2025. The learned counsel for the parties are at liberty to hand over their proposed issues on the next date of hearing.

SAURABH BANERJEE, J

MAY 28, 2025/AB