



2025:DHC:3685-DB



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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ FAO (COMM) 103/2025, CAV 154/2025, CM APPL.
24986/2025 & CM APPL. 24987/2025

VISHAL GUPTA AND ORSAppellants

Through: Mr. Saikrishna Rajagopal, Mr.
Kunal Khanna, Mr. Nitin Sharma, Mr. Krtin
Bhasin and Mr. Abhinav Bhalla, Advs.

versus

RAHUL BANSALRespondent

Through: Mr. Mohan Vidhani, Mr.
Saurabh Kumar, Ms. Mokshita Gautam and
Ms. Shreya Jain, Advs.

Mr. Amandeep Singh, Ms. Nidhi Pandey,
Mr. Lakshya Gupta and Ms. Urvashi Arora,
Advs.

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

JUDGMENT(ORAL)

% **08.05.2025**

1. This appeal assails order dated 5 March 2025, passed by the learned District Judge (Commercial Court), Tis Hazari¹ in CS (Comm) 1173/2024. The appellants before us were the defendants in the said suit and the respondent before us was the plaintiff.

2. The order under challenge disposes of an application filed by the respondent-plaintiff under Order XXXIX Rules 1 and 2 of the

¹ "learned Commercial Court" hereinafter



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Code of Civil Procedure, 1908² as well as the applications by the appellant-defendant under Order VII Rule 11 of the CPC and Order VII Rule 10 of the CPC.

3. Mr. Saikrishna Rajagopal, learned Counsel for the appellant-defendant before the learned Commercial Court, submits that the present appeal is restricted to the impugned order to the extent it decides the application under Order XXXIX Rules 1 and 2 of the CPC.

4. The impugned order suffers, in our considered opinion, from a basic error of law.

5. The learned Commercial Court has enjoined the appellant as well as all others acting on behalf of the appellant from dealing in edible oils/mustard oils under the trademark/label OM AMAR SHAKTI / SARKAR OM AMAR SHAKTI, on the ground that it is deceptively similar to the trademark MATA AMAR SHAKTI of the respondent-plaintiff, thereby resulting in the infringement of the trademark.

6. The respondent's trademark is admittedly not registered, though the respondent has a copyright registration for the label. The injunction, as granted by the impugned order is, however, not against use of a similar label, but use of the trade mark OM AMAR SHAKTI/SARKAR OM AMAR SHAKTI.

² "CPC" hereinafter



7. As such, there can be no question of any claim for infringement being maintainable against the appellant-defendant, as Section 28(1) and (3)³ read with Section 29⁴ of the Trademarks Act envisages infringement being maintainable only by holder of a registered trademark.

8. This position is candidly acknowledged by Mr. Vidhani, learned Counsel appearing for the respondent. However, Mr. Vidhani submits that a case of passing off would nonetheless lie against the appellant-defendant.

9. For passing off, the primary ingredients that have to be satisfied are the existence of goodwill, the attempt of the defendant to pass off the defendant's product as the product of the plaintiff and resultant

³ **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.

(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 trade marks 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.

⁴ **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



damage that has resulted to the plaintiff. We may refer, in this context, to a recent judgment of the Supreme Court in *Brihan Karan Sugar Syndicate (P) Ltd. v Yashwantrao Mohite Krushna Sahakari Sakhar Karkhana*⁵, which sets out the ingredients of passing off in the following paragraphs:

12. There is a finding recorded by the High Court in the impugned judgment that the labels used on the bottle of country liquor sold by the appellant and the labels on the bottle of country liquor sold by the respondent are similar. At this stage, we may note the legal position regarding the factual details which are required to be proved in a passing off action. Firstly, we may refer to a decision of this Court in *Satyam Infoway Ltd. v. Siffynet Solutions (P) Ltd.*⁶ Paras 13 to 15 of the said decision read thus :

“13. The next question is, would the principles of trade mark law and in particular those relating to passing off apply? An action for passing off, as the phrase “passing off” itself suggests, is to restrain the defendant from passing off its goods or services to the public as that of the plaintiff’s. It is an action not only to preserve the reputation of the plaintiff but also to safeguard the public. The defendant must have sold its goods or offered its services in a manner which has deceived or would be likely to deceive the public into thinking that the defendant’s goods or services are the plaintiff’s. The action is normally available to the owner of a distinctive trade mark and the person who, if the word or name is an invented one, invents and uses it. If two trade rivals claim to have individually invented the same mark, then the trader who is able to establish prior user will succeed. The question is, as has been aptly put, who gets these first? *It is not essential for the plaintiff to prove long user to establish reputation in a passing off action. It would depend upon the volume of sales and extent of advertisement.*

14. The second element that must be established by a plaintiff in a passing off action is misrepresentation by the defendant to the public. The word “misrepresentation” does not mean that the plaintiff has to prove any mala fide intention on the part of the defendant. Of course, if the misrepresentation is intentional, it might lead to an

⁵ (2024) 2 SCC 577

⁶ (2004) 6 SCC 145



inference that the reputation of the plaintiff is such that it is worth the defendant's while to cash in on it. An innocent misrepresentation would be relevant only on the question of the ultimate relief which would be granted to the plaintiff *Cadbury-Schweppes (Pty) Ltd. v. PUB Squash Co. (Pty) Ltd*⁷, *Erven Warnink Besloten Vennootschap v. J. Townend & Sons (Hull) Ltd*⁸. What has to be established is the likelihood of confusion in the minds of the public (the word “public” being understood to mean actual or potential customers or users) that the goods or services offered by the defendant are the goods or the services of the plaintiff. In assessing the likelihood of such confusion the courts must allow for the “imperfect recollection of a person of ordinary memory”.

15. The third element of a passing off action is loss or the likelihood of it.”

(emphasis supplied)

13. Thus, the volume of sale and the extent of advertisement made by the appellant of the product in question will be a relevant consideration for deciding whether the appellant had acquired a reputation or goodwill.

14. At this stage, we may also refer to the decision of this Court in *Toyota Jidosha Kabushiki Kaisha*⁹. In this decision, this Court approved its earlier view in *S. Syed Mohideen v. P. Sulochana Bai*¹⁰ that the passing off action which is premised on the rights of the prime user generating goodwill, shall remain unaffected by any registration provided in the Act. In fact, this Court quoted with approval, the view taken by the House of Lords in *Reckitt & Colman Products*¹¹. The said decision lays down triple tests. One of the tests laid down by the House of Lords was that the plaintiff in a passing off action has to prove that he had acquired a reputation or goodwill connected with the goods. Thereafter, in para 40 of *Toyota case*, this Court held that if goodwill or reputation in a particular jurisdiction is not established by the plaintiff, no other issue really would need any further examination to determine the extent of the plaintiff's right in the action of passing off.”

(Italics in original; underscoring supplied)

10. We find that the impugned order does not examine any of these

⁷ (1981) 1 WLR 193

⁸ (1979) 3 WLR 68

⁹ *Toyota Jidosha Kabushiki Kaisha v Prius Auto Industries Ltd.*, (2018) 2 SCC 1

¹⁰ (2016) 2 SCC 683

¹¹ *Reckitt & Colman Products Ltd. v. Borden Inc.*, (1990) 1 WLR 491 (HL)



aspects at all. There is, in particular, no specific finding regarding the acquisition, by the respondent-plaintiff, of sufficient goodwill, as could sustain a claim of passing off.

11. The impugned order proceeds on the mere premise that the respondent would be entitled to an injunction as the user, by the respondent, of the mark OM AMAR SHAKTI / SARKAR OM AMAR SHAKTI is prior to the user, by the appellant, of the mark MATA AMAR SHAKTI. *Priority of user by itself cannot sustain a finding of passing off or justify grant of injunction on that basis.*

12. On Mr. Vidhani's attention being drawn to this fundamental error in the impugned order, he is agreeable to the impugned order being set aside and the application of the respondent-plaintiff under Order XXXIX Rules 1 and 2 of the CPC being remanded to the learned Commercial Court for *de novo* consideration.

13. We are told that the matter is listed before the learned Commercial Court on 16 May 2025.

14. Accordingly, keeping in mind the above observations, the impugned order, to the extent it adjudicates the respondent-plaintiff's application under Order XXXIX Rules 1 and 2 of the CPC, is quashed and set aside. The application stands remitted to the learned Commercial Court for *de novo* consideration in accordance with law.

15. We do not express any opinion on the merits of the dispute between the parties, or on the entitlement of the respondent-plaintiff to



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injunction or otherwise. All issues of fact and law shall remain open to be urged before the learned Commercial Court.

16. Needless to say, the learned Commercial Court would proceed uninfluenced by any observations contained in the impugned judgment.

17. Learned Counsel for the parties undertake not to seek any adjournment on the next date of hearing. We request the learned Commercial Court to decide the application as expeditiously as possible, preferably within a period of two months from today.

18. The appeal stands allowed to the aforesaid extent, with no orders as to costs.

C. HARI SHANKAR, J.

AJAY DIGPAUL, J.

MAY 8, 2025

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[Click here to check corrigendum, if any](#)