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* **IN THE HIGH COURT OF DELHI AT NEW DELHI***Reserved on: 2 February 2023**Pronounced on: 28 December 2023*

+ CS(COMM) 130/2022

**KHADI AND VILLAGE INDUSTRIES
COMMISSION**

..... Plaintiff

Through: Ms. Shwetasree Majumder, Ms.
Diva Arora, Ms. Devyani Nath and Ms.
Archita Nigam, Advs.

versus

GIRDHAR INDUSTRIES AND ANR. DefendantsThrough: Mr. Shrawan Bansal and Mr.
Kankaran Singh, Advs.**CORAM:****HON'BLE MR. JUSTICE C.HARI SHANKAR****J U D G M E N T****28.12.2023**

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IA 3114/2022 (under Order XXXIX Rules 1 and 2 of CPC)

1. The plaintiff Khadi and Village Industries Commission (KVIC) seeks, by this suit, relief against what it perceives to be infringement, by the defendant, of its registered trademarks and passing off, by the defendant, of its products as the products of the plaintiff.

2. This judgment decides IA 3114/2022, filed by the plaintiff under Order XXXIX Rules 1 and 2 of the Code of Civil Procedure, 1908 (CPC), seeking interlocutory injunctive reliefs pending disposal of the suit.



3. I have heard learned Counsel for both sides at length. Ms. Shwetasree Majumder appears on behalf of the plaintiff and Mr. S.K. Bansal represents the defendant.

Rival submissions

Case set up by the plaintiff – Submissions of Ms. Majumder

4. The plaintiff is a creature of the Khadi and Village Industries Commission Act, 1956 (“the KVIC Act”). The KVIC was itself constituted in 1957. Since then, it has been carrying out work relating to implementation of programs for the development of Khadi and other related industries in rural areas. In the process, products bearing the trademark “Khadi” are promoted by the plaintiff. The plaintiff also implements the Prime Minister’s Employment Generation Program (PMEGP) for upliftment and improvement of artisans, weavers and other members of small scale village and rural industries.


5. The plaintiff adopted the trademark KHADI, which is also part of its corporate name, on 25 September 1956. Since then, the plaintiff has been using the trademark KHADI in a variety of classes and for a variety of goods and services continuously and without interruption. Under the Trade marks Act, 1999, the plaintiff has registrations of


- (i) the word mark KHADI,
 - (a) with effect from 27 November 2014, in Classes 1, 2, 3, 4, 5, 6, 7, 8, 14, 16, 18, 19, 20, 21, 23, 24, 25, 26,



27, 29, 30, 32, 34, 35, 38 and 42 of the NICE classification of marks, applicable to registration of trade marks in India, claiming user from 25 September 1956, and

(b) with effect from 28 November 2014 in Class 22, claiming user from 4 October 2014,

(ii) the device mark , with effect from 19 June 2018 in Classes 1, 2, 3, 4, 5, 6, 7, 8, 14, 16, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 29, 30, 32, 34, 35, 38 and 42, claiming user from 25 September 1956, and

(iii) the device mark ,

(a) with effect from 2 December 2014 in Classes 1, 2, 3, 4, 5, 6, 7, 8, 14, 16, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 29, 30, 32, 34, 35, 38 and 42, claiming user from 31 May 2000, and

(b) with effect from 31 March 2020,

(i) in Classes 12, 13, 17, 28, 31 and 37 claiming user from 25 September 1956, and

(ii) in Class 33 on “proposed to be used” basis.

6. The plaintiff also hosts the websites www.kviconline.gov.in, www.khadiindia.gov.in and www.ekhadiindia.com . It also operates on several social media platforms. The plaintiff also provides a mobile application by the name “Khadi India”, which helps customers,



patrons and members of the trade to locate the nearest Khadi India store.

7. The mark KHADI has, therefore, according to the plaintiff, become indelibly associated with the plaintiff, by dint of continuous and uninterrupted use.

8. The KHADI trademark is promoted through institutions certified by the plaintiff. The plaintiff authorises various retail sellers and other institutions to sell products under the KHADI trademarks. In order to be listed as an authorised user of the KHADI trademarks, for selling and promoting KHADI certified products and services, it is submitted that an organisation has to apply for recognition through the Khadi Institutions Registration & Certification Sewa (KIRCS). It is only when the plaintiff issues an appropriate certificate/authorisation that the entity is authorised to use the plaintiff's trademark "KHADI" in respect of its textile products.

9. Persons engaged in the production, sale or trading of Khadi and Khadi products, or who are desirous of being so engaged, are governed by the Khadi and Village Industries Commission Regulations, 2007 ("the KVIC Regulations"). Specific guidelines regarding the manner in which the Khadi mark is to be used are contained in the said Regulations.

10. Products bearing the plaintiff's KHADI mark are sold through over 8050 sales outlets spread across the country. All products



prominently bear the plaintiff's KHADI trademark. In 2016 alone, the total export value of the plaintiff's products was ₹ 140 crores. In the financial year 2021, the turnover of the plaintiff is stated to be in the region of ₹ 95,000 crores. It is further asserted that, in the years 2018-2019, 2019-2020 and 2020-2021, the plaintiff has spent ₹ 4 crores, ₹ 7.12 crores and ₹ 1.12 crores towards advertisement and promotion of its KHADI trademarks.

11. As a result, it is asserted that the plaintiff's KHADI trademarks have acquired immense reputation and goodwill and have become source identifiers of the plaintiff.

12. Defendant 1 Girdhar Industries is also the proprietor of the registered trademark GIRDHAR KHADI

(i) in Class 3 w.e.f. 4 March 2005, for "bleaching preparations and other substances for allotment to use, cleaning including washing soap, washing powder, cake, bath soap", claiming user from 1 April 2001,

(ii) in Class 29 w.e.f 18 July 2007 for "pickles, jams, *murabbas*, dried and cooked fruits and vegetables, milk etc", claiming user from 1 April 2004 and

(iii) in Class 30 w.e.f. 18 July 2007 for "coffee, tea, sugar, pulses, rice, *atta*, *maida*, *besan*, *suzi*, spices, bread, biscuits, sweet, salt, confectionery etc", claiming user from 1 April 2004.



The plaintiff alleges that Defendant 1 has not filed any affidavit of use in support of the user claims, in the above registrations. The plaintiff has filed applications under Section 57¹ of the Trade marks Act, seeking cancellation of the said registrations, alleging that they violated Sections 9 and 11 of the Trade marks Act. Defendant 1 has also filed its counterstatement to the said applications of the plaintiff.

13. Ms. Majumder submits that, in para 17 of its notice of opposition, filed by way of response to Application No 5046796 of the plaintiff, seeking registration of the device mark खादी (“Khadi” in Marathi), the defendant has admitted that the coexistence of the plaintiff’s “KHADI” mark and the defendants’ “GIRDHAR KHADI” mark would result in market confusion, thus:

“17. The Opponent submit that the use of the impugned mark in all likelihood would cause confusion and deception in the minds of public and members of trade and would lead them to relate and associate the Mark, its source and origin with that of opponent and its Trade Mark “GIRDHAR KHADI”.

¹ 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.

(3) The Registrar or the High Court, as the case may be, may in any proceeding under this section decide any question that may be necessary or expedient to decide in connection with the rectification of the register.

(4) The Registrar or the High Court, as the case may be, of its own motion, may, after giving notice in the prescribed manner to the parties concerned and after giving them an opportunity of being heard, make any order referred to in sub-section (1) or sub-section (2).

(5) Any order of the High Court rectifying the register shall direct that notice of the rectification shall be served upon the Registrar in the prescribed manner who shall upon receipt of such notice rectify the register accordingly.



As against this, in its counterstatement to Rectification Petition No DEL-269997 of the plaintiff, seeking cancellation of the Defendant 1's GIRDHAR KHADI mark, Defendant 1 has, in para 21, "denied that the consumers are likely to confuse from the (defendants) the said products under the said trademark GIRDHAR KHADI as those of the (plaintiff's)." To justify this, the defendants have further averred, in para 23 of their counter-statement that the defendants were using the words "GIRDHAR " and "KHADI" in a combination, and were not using "KHADI" separately or in a singular manner. Thus, Defendant 1 has adopted contrary standards in its opposition to the application of the plaintiff for registration of its खादी trademark and in its counter-statement filed by way of response to the rectification petition of the plaintiff against the Defendant 1's GIRDHAR KHADI trademark.

14. Ms. Majumder submits that the defendants' contention that it was using its mark GIRDHAR KHADI as a combination, and was not using KHADI singularly is misleading. She has referred to an invoice dated 24 January 2022, raised by the defendant on a customer named "Pawan", which describes the goods as "Khadi Class" and "Khadi Pure". Similarly, she has also placed reliance on the following invoice, filed by the defendant itself, which refers to the goods as "Khadi Soap", "Khadi Pure", "Khadi Supreme Set", "Khadi Plus", "Khadi Pouch" and "Khadi Cake Soap":



POONAM INDUSTRIES		Invoice No. MFG/18-19/2087		Dated 13-Oct-18					
PL.L1: 1403 2008 I SECT: 208-3: 1851840 RAJINDIA HARYANA 130001, INDIA GSTIN/IN: 06AECPC820M1274 State Name : Haryana, Code : 06 Contact : 0184-2271208,018300888 E-Mail : poonamindia@rediffmail.com		Delivery Note Reference No. & Date Buyer's Order No.		Mode/Type of Payment CREDIT Other References Dated Delivery Note Date					
Consignee (Ship to) ARPT AGENCY, NANGAL CHOUDHARY NAFNALI ROAD, NANGAL CHOUDHARY, M.NO.5812780880, GSTIN/IN : 06BEPG9302M1274 PAN/IT No : BEDPG9302M		Dispatch Doc No. Dispatched through Terms of Delivery		Destination NANGAL CHOUDHARY					
Buyer (Bill to) ARPT AGENCY, NANGAL CHOUDHARY NAFNALI ROAD, NANGAL CHOUDHARY, M.NO.5812780880, Haryana - India GSTIN/IN : 06BEPG9302M1274 PAN/IT No : BEDPG9302M State Name : Haryana, Code : 06 Place of Supply :									
Sl.	Description of Goods	MRN/SAC	Quantity		Rate	Rate	Unit	Ded. %	Amount
			Shipped	Billed	(Net of Tax)				
1	KHADI SOAP 800 GM 480PKT*1KG=480KG	34011110	4,800 PKT	4,800 PKT	43.00	36.44	PKT		1,67,624.00
2	KHADI PURE 5KG 16BAG*25KG=400KG	34029011	400 KG	400 KG	45.60	38.64	KG		15,456.00
3	KHADI PURE 1KG 48BAG*25KG=200KG	34029011	200 KG	200 KG	45.60	38.64	KG		7,728.00
4	KHADI PURE 500GM 48BAG*25KG=200KG	34029011	200 KG	200 KG	45.60	38.64	KG		7,728.00
5	ZIYO POWDER 1KG 48BAG*25KG=100KG	34029011	100 KG	100 KG	33.59	28.47	KG		2,847.00
6	ZIYO POWDER 500GM 128BAG*25KG=300KG	34029011	300 KG	300 KG	33.59	28.47	KG		8,541.00
7	KHADI SUPREME SET 20BAG*9KG=180KG	34054000	20 BOX	20 BOX	420.00	355.93	BOX		7,118.80
8	KHADI PLUS 3KG 48BAG*24KG=288KG	34029011	96 KG	96 KG	41.60	35.25	KG		3,384.00
9	KHADI POUCH 10g 70BAG*54KG=58KG	34029011	70.50 BAG	70.50 BAG	435.00	368.64	BAG		25,804.80
10	KHADI POUCH 5g 20BAG*96KG=18KG	34029011	20.00 BAG	20.00 BAG	435.00	368.64	BAG		7,372.80
11	KHADI CAKE SOAP 20BAG*96.5KG=170KG	34011110	20 BOX	20 BOX	400.00	338.98	BOX		6,779.80
12	TUB , BALTY ,CONTAINER 80 PCS	39249010	80 PCS	80 PCS	106.20	90.00	PCS		7,200.00
									2,67,583.80
OUTPUT CGST									24,082.53
OUTPUT SGST									2,91,666.33
ROUND OFF									34,082.53
									3,15,748.86
									0.14

15. Ms. Majumder has also referred me to the following photographs of the defendants’ “Khadi Pure” detergent powder to emphasise that the defendants are clearly selling their product as “Khadi” detergent powder, with the word “Girdhar” reduced to a disproportionately small image above “Khadi”:



Ms. Majumder submits that, therefore, though the Defendant 1’s registered trade mark is GIRDHAR KHADI, it advertises, packs, invoices and sells its goods as KHADI merchandise. She has also referred to an order dated 15 November 2018 passed by the learned



Additional District Judge (ADJ), Jind in Civil Suit 01 of 2015, filed by the defendants against Shree Balaji Chemicals Safidon, alleging that the use, by Shree Balaji Chemicals Safidon, of the mark “GARGS KHADI” infringed the defendants’ “GIRDHAR KHADI” mark.

16. Apropos user, by the plaintiff, of the KHADI mark in respect of soaps, Ms. Majumder invites my attention to the list of licensed cosmetics manufacturers in Tamil Nadu published by the Nadu Drugs Control Department, which reflects Gandhigram Khadi and Village Industries Public Charitable Trust, Gandhigram, Tamilnadu Khadi and Village Industries Board Toilet Soap Unit and Khadi Village Industries, Nandikottai, Tanjore, all of which are of the plaintiff’s licensed units, as having been granted licences for manufacturing soap on 6 May 1988, 11 July 1989 and 28 March 1991 respectively. She has also referred to Chapter 20 of the second 5 Year Plan of the Government of India, which deals with “Village and Small Industries” and which notes, in para 40, thus:

“40. Other village industries. – Among the other Village industries those for which development programmes have been drawn up by Khadi Board including beekeeping, palm gur, paper, soap and pottery.”

Ms. Majumder further draws attention to an article in the Indian Express dated 17 February 1999, which refers to the rise of Khadi, and is titled “Khadi arises from humble charkha to ₹ 5076-cr industry”. She has also referred to a Press Information Bureau (PIB) report dated 18 December 2017, which indicates huge quantities of exports of various Khadi items during the years 2014-2015 to 2016-2017, including soap.



17. Ms. Majumder further submits that this Court has, in its judgment in *Khadi & Village Industries Commission v. Raman Gupta*², held “KHADI” to be a well-known trademark. She also places reliance on the judgment of the High Court of Bombay in *Khadi & Village Industries Commission v. Board of Trustees, Mumbai Khadi and Village Industries Association*³.

18. Relying on paras 10 and 18 of *N.R. Dongre v. Whirlpool Corporation*⁴, Ms. Majumder submits that an action for passing off lies even against a registered trademark. At the same time, she relies on *National Bell Co. v. Metal Goods Manufacturing Co. Pvt Ltd*⁵ to contend that the presumption of validity of a registered trademark, contained in Section 31(1)⁶ of the Trade marks Act, is rebuttable, especially if the plaintiff’s mark is distinctive.

19. It is not open for the defendant to contend that the mark “KHADI” is generic, as Defendant 1 has itself obtained registration for the mark “GIRDHAR KHADI”. She relies, for this purpose, on para 16 of the decision in *Automatic Electric Ltd. v. R.K. Dhawan*⁷ Besides, Ms. Majumder submits that the mark “KHADI” is certainly arbitrary when used for soaps and other such goods. She also submits,

² 2022 SCC OnLine Del 2264

³ Judgment dated 14 December 2022 in Commercial IP Suit (L) 14302/2022

⁴ (1996) 5 SCC 714

⁵ (1970) 3 SCC 665


⁶ 31. Registration to be prima facie evidence of validity. –

(1) In all legal proceedings relating to a trade mark registered under this Act (including applications under Section 57), the original registration of the trade mark and of all subsequent assignments and transmissions of the trade mark shall be *prima facie* evidence of the validity thereof.

⁷ 77 (1999) DLT 292



relying on para 26 of the judgment in *Ahmed Oomerbhoy v. Gautam Tank*⁸, that a mark could be descriptive in respect of one category of goods and generic in respect of another.

20. Ms. Majumder submits that, in the mark , of which the plaintiff has a valid registration in Class 3, the word “Khadi” is dominant. Besides, she submits that the plaintiff has a subsisting registration for the word mark “KHADI” in Class 5, for pharmaceuticals, to which soaps and detergents are allied and cognate. Besides, the plaintiff also possesses a subsisting registration for the word mark “KHADI” in Class 35, for a variety of goods which includes soap.

21. On the aspect of deceptive similarity, Ms. Majumder submits that the facts of the present case attract sub-section (4) as well as sub-section (5) of Section 29⁹ of the Trade marks Act and relies, in this regard, on the decision in *Bloomberg Finance LP v. Prafull Saklecha*¹⁰.

⁸ 146 (2008) DLT 774

⁹ (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.

(5) A registered trade mark is infringed by a person if he uses such registered trade mark, as his trade name or part of his trade name, or name of his business concern or part of the name, of his business concern dealing in goods or services in respect of which the trade mark is registered.


¹⁰ 207 (2014) DLT 35




22. Delay in approaching the Court cannot constitute a justification for denying injunction, where infringement is found to exist, submits Ms. Majumder and sites, in this regard, the judgment of the Supreme Court in *Midas Hygiene Industries (P) Ltd v. Sudhir Bhatia*¹¹ .

Submissions of Mr. S.K. Bansal in reply

23. Mr. Bansal points out, at the outset, that the Defendant 1 had adopted the mark “GIRDHAR KHADI” in 2001. The dispute, he points out, is only with respect to use, by the defendant, of the said mark on soaps and detergents. Soaps and detergents, he submits, fall within Class 3 of the NICE classification of trade marks, in respect of which the applications of the plaintiff for registration of the word mark “KHADI” as well as the Devanagari mark “खादी” are pending registration. He points out that, in para 13 of the plaint, it is candidly acknowledged that the earlier registrations for the word mark “KHADI” held by the plaintiff in Classes 3, 29 and 30, had lapsed and were removed from the register on account of non-filing of renewal requests. The plaintiff has only two subsisting registrations in Class 3,

one for the mark  , with effect from 19 June 2018 and the

other for the mark  with effect from 2 December 2014, claiming user since 31 May 2000 .

¹¹ (2004) 3 SCC 90



24. Besides, points out Mr. Bansal, in all these applications, the plaintiff has applied on “proposed to be used” basis. The onus, therefore, is on the plaintiff to establish use of “KHADI” as a trademark for soaps prior to the registration of the Defendant 1’s word mark “GIRDHAR KHADI”. Defendant 1’s registration, he points out, is of 4 March 2005, claiming user since 2001. As against this, the plaintiff’s registrations of 2000, which lapsed, were on “proposed to be used” basis.

25. Mr. Bansal submits that the plaintiff could seek to rely on the registrations held by each for the “KHADI” mark for other products only if it could establish the existence of reputation and goodwill of such other products in the market, so as to satisfy Section 29(4). That evidence, he submits, is lacking. Para 10 of the plaint merely contains a bald averment that the plaintiff has been using the mark “KHADI” for a wide variety of goods since 1956. No details, regarding such goods, are forthcoming. There is, he reiterates, no evidence of use, by the plaintiff, of the mark “KHADI” prior to 2001. No invoices or orders, relating to such use, have been filed by the plaintiff. He also points out that, in para 18 of the plaint, it is acknowledged that the domain name www.khadiindia.gov.in was registered only in May 2015. Thus, prior to May 2015, the plaintiff did not even possess a domain name which included “khadi” as a part thereof. The figures relating to advertisement and promotional expenses spent by the plaintiff for the mark “KHADI” are also forthcoming only with effect from 2018-2019. For the submission that proof of reputation has to be forthcoming in order for Section 29(4) to apply, Mr. Bansal relies on



paras 28 to 30 of the decision in *Raman Kwatra v. KEI Industries Ltd*¹².

26. Mr. Bansal submits that the orders passed by this Court, which the plaintiff cites as protective of its intellectual property rights in the mark “KHADI” relate to instances in which the defendant did not have a registered trade mark.

27. Besides, submits Mr. Bansal, the present suit is grossly belated. He submits that the averment, in para 34 of the plaint, that the plaintiff came across the trademark registration of Defendant 1’s mark “GIRDHAR KHADI” in Class 3 only in December 2020 was erroneous and misleading, as Defendant 1 had, in its counter statement to the opposition filed by the plaintiff to Defendant 1’s application for registration of the mark GIRDHAR KHADI in Class 29, filed on 24 December 2017, clearly stated that it already held a subsisting registration for the word mark “GIRDHAR KHADI” in Class 3. Mr. Bansal also points out that, in para 40 of the plaint, it is acknowledged that the defendant’s website, under the domain name <http://www.girdharkhadigroup.com/> was registered on 7 April 2013. Thus, the defendant’s website was available since the said date.

28. The plaintiff has, therefore, wrongly stated, in the plaint, that the cause of action for instituting the suit arose in 2022. In fact, it arose, at the very latest, in 2017, when the plaintiff had opposed

¹² MANU/DE/0066/2023



Defendant 1's GIRDHAR KHADI mark and Defendant 1 had, in its counter statement, disclosed that the mark had been registered w.e.f. 2005 and was in use from 2001. For the proposition that the plaintiff who thus misstates the date of accrual of course of action and tries to justify institution of a belated suit cannot be entitled to any injunctive relief, Mr. Bansal relies on para 14 of *Vijay Kumar Ahuja v. Lalita Ahuja*¹³, para 18 of the judgment of the decision of a learned Single Judge of this Court in *KRBL Ltd v. Lal Mahal Ltd*¹⁴, para 17 of the judgment of the Division Bench in *KRBL Ltd v. Lal Mahal Ltd*¹² which dismissed the appeal thereagainst and para 4 of *Shri Gopal Engg & Chemical Works v. POMX Laboratory*¹⁵.

29. Mr. Bansal relies on para 3 of the written statement filed by the defendant in the present case, which reads thus:

“3. That the defendant no. 1 is the honest and prior adopter and use of the word/mark KHADI as essential part of its trademark GIRDHAR KHADI in relation to Bleaching preparations and other substances for laundry use, Cleaning including washing soap, Washing Powder, Cake, Bath Soap. Defendants have been using the trademark GIRDHAR KHADI as a composite trademark and no one can be permitted to use the word KHADI as a trademark for Bleaching preparations and other substances for laundry use, Cleaning including washing soap, Washing Powder, Cake, Bath Soap and allied and related goods either in isolation as a part of composite trademark/label for said class 03 goods and allied and related goods thereto as the same amounts to infringement of defendant's registered trademark GIRDHAR KHADI registered under no. 1342394 in class 03 and passing off.”



¹³ 2001 SCC OnLine Del 1215

¹⁴ 2015 (62) PTC 82 (Del)

¹⁵ AIR 1992 Del 302



Mr. Bansal points out that Defendant 1's Registration No. 1342394 for the word mark GIRDHAR KHADI is effective from 4 March 2005 and claims user w.e.f. 1 April 2001. He submits that the plaintiff's

claim of user of the marks KHADI,  or  in respect of goods in Class 3 is incorrect, and that it was only in 2018-2019 that the plaintiff adopted and started using any of the "KHADI" marks in relation to soaps, detergents and allied goods. Thus, the plaintiff's user of the KHADI marks in respect of soap, detergents and allied goods is much subsequent in point of time to the defendant's use and registration of the mark GIRDHAR KHADI.

30. The trademark GIRDHAR KHADI was registered in favour of Defendant 1 with effect from 4 March 2005, and it was only in December 2020 that the plaintiff filed a rectification application for cancellation of the said mark. In the process, submits Mr. Bansal, the defendant has used the mark considerably, to the knowledge of the plaintiff. Returns from the sales of soap and detergent manufactured and sold under the impugned GIRDHAR KHADI mark, he points out, are in the realm of over ₹ 40 crores in the last year, which is extremely high for the soap trade.

31. Moreover, submits Mr. Bansal, the defendant holds copyright registrations for various GIRDHAR KHADI labels. Among the labels in which such copyright registrations are held by Defendant 1, he submits, are the following:



(i)



(ii)



(iii)



(iv)



32. Mr. Bansal submits that the sales figures of products manufactured and sold by the defendants using the impugned



GIRDHAR KHADI trade mark are also not unenviable. In the years 2019-2020 and 2020-2021, sales of GIRDHAR KHADI products have garnered returns of ₹ 28,96,35,840.06 and ₹ 32,64,70,791.60 respectively. GIRDHAR KHADI is, therefore, he submits, a reputed name in the market. As against this, he submits that the plaintiff has not placed any substantial material on record to prove goodwill and reputation in its KHADI mark, as used on soaps, detergents, or similar goods. He submits that the WIPO registration of the mark KHADI, in the plaintiff's favour, though also including Class 3 in its scope, makes no reference to soaps and, in class 3, includes only "hair oil, incense sticks; perfumery, essential oils, cosmetics, hair lotions; dentrifices". The Canadian registration of the KHADI mark, as held by the plaintiff, is not even in Class 3.

33. Mr. Bansal submits that, in para 2 of the replication, the plaintiff has made a belated assertion that it has been using the KHADI mark in respect of soaps and other cosmetic products "since the 1980s", without any documentary support whatsoever. This assertion, he submits, is contrary to the plaint.

34. Mr. Bansal further submits that, as used on the packs of its products, "GIRDHAR", in the GIRDHAR KHADI mark of the defendants is prominent and, in several cases, larger in size than "KHADI". He has referred to the following packs:



35. In the absence of any proof of use, by the plaintiff, of the KHADI mark prior to the registration of the GIRDHAR KHADI mark in favour of Defendant 1, Mr. Bansal submits that his client would be entitled to the benefit of Section 34¹⁶ of the Trade Marks Act and cannot, therefore, be enjoined from using its registered trade mark.

36. Mr. Bansal further submits that the threshold that is required to be crossed by a plaintiff who seeks an injunction against the use of a registered trade mark is extremely high and relies, for this purpose, on

¹⁶ 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 mentioned trade mark by reason only of the registration of the first-mentioned trade mark.



- (i) paras 4 and 17 of the judgment of the Supreme Court in *Toyota Jidosha Kabushiki Kaisha v. Prius Auto Industries Ltd*¹⁷,
- (ii) the judgment of the Division Bench of this Court in *Turning Point v. Turning Point Institute Pvt Ltd*¹⁸ and
- (iii) paras 17 and 18 of the judgment of the Division Bench of this Court in *Pioneer Nuts and Bolts Pvt Ltd v. Goodwill Enterprises*¹⁹.

With reference to his plea that there is no material cited by the plaintiff to support its claim to use of the KHADI mark since 1956, especially as, in the replication, the user claim is of 1980, Mr. Bansal refers to

- (i) the judgment of the Division Bench of this Court in *D.K. Electricals Industries v. Sancheti Appliances Pvt Ltd*²⁰,
- (ii) para 13 of the judgment of the Division Bench of this Court in *Devans Modern Breweries Ltd. v. Radico Khaitan Ltd*²¹ and
- (iii) para 19 of the judgment of a learned Single Judge of this Court in *L.D. Malhotra Industries v. Ropi Industries*²².

Relying on paras 11 and 15 of the judgment of the Supreme Court in *Corn Products Refining Co. v. Shangrila Food Products Ltd*²³ and para 28 of the judgment of the Supreme Court in *S. Syed Mohideen v.*

¹⁷ (2018) 2 SCC 1

¹⁸ 2018 (75) PTC 417 (Del) (DB)

¹⁹ 2009 (41) PTC 362 (Del) (DB)

²⁰ 2013 (54) PTC 320 (Del) (DB)

²¹ Judgment dated 5 April 2019 in FAO (OS) (COMM) 74/2019

²² 1975 PTC (Suppl) (2) 564 (Del)

²³ AIR 1960 SC 142



*P. Sulochana Bai*²⁴, Mr Bansal submits that there is no evidence of the plaintiff having used KHADI as a trademark before 2005.

37. Without prejudice, Mr. Bansal pleads honest and concurrent user and relies, for the purpose, on paras 29 and 32 of the judgment of a learned Single Judge of this Court in *QRG Enterprises v. Surendra Electricals*²⁵, which was affirmed by the Division Bench in *QRG Enterprises v. Surendra Electricals*²⁶.

38. Mr. Bansal further submits, relying on para 24 of the judgment of the Division Bench of this Court in *B.L. & Co. v. Pfizer Products Inc.*²⁷, that delay is fatal to a claim of passing off.

39. On merits, Mr. Bansal submits that the added matter contained on the labels of his client's products are sufficient to distinguish them from the products of the plaintiff and defeat any claim of passing off. He relies, in this regard, on

- (i) para 28 of *Kaviraj Pt Durga Dutt Sharma v. Navaratna Pharmaceuticals Laboratories*²⁸,
- (ii) para 12 of the judgment of the Division Bench of this Court in *Johnson & Johnson v. Christine Holden India (P) Ltd*²⁹,
- (iii) *D.K. Electricals*, and

²⁴ (2016) 2 SCC 683

²⁵ 2005 (13) PTC 471 (Del)

²⁶ 2007 (35) PTC 742 (Del)

²⁷ 93 (2001) DLT 346 (DB)

²⁸ AIR 1965 SC 980

²⁹ 1988 PTC 39



(iv) paras 16, 21 and 22 of the judgment of the Division Bench of this Court in *PEPS Industries Pvt Ltd v. Kurlon Ltd*³⁰.

40. Relying on para 47 of *Vishnudas v. Vazir Sultan Tobacco Co.*³¹ and paras 30 to 32 of *Nandini Deluxe v. Karnataka Co-operative Milk Producers Federation*³² Mr. Bansal submits that a registrant of a trademark, who has obtained registration of the mark for a wide spectrum of goods but uses the mark only for some, can claim monopoly over the mark only with respect to the goods in respect of which the mark is used, and not for others.

41. Mr. Bansal disputes Ms. Majumder's contention that KHADI has been declared as a well-known trademark by this Court. *Raman Gupta*, he submits, merely refers to it as well known in an observation contained in an interlocutory order. Similar observations, he submits, are contained in the orders passed by this Court in *Khadi Village and Industries Commission v. Roopika Rastogi*³³ and *Khadi and Village Industries Commission v. JBMR Enterprises*³⁴ in which this Court has observed that the material placed on record by the plaintiff indicated that the KHADI mark has become well-known. The Trade Marks Registry, he submits, was in error in including KHADI in its list of well-known trademarks on the basis of these decisions. He

³⁰ 295 (2022) DLT 527

³¹ (1997) 4 SCC 201

³² 2018 (75) PTC 209 (SC)

³³ 2023 SCC OnLine Del 1301

³⁴ Order dated 4 June 2021 in [CS\(COMM\) 284/2021](#)



relies on Section 11(8)³⁵ of the Trade Marks Act to contend that the Trade Marks Registry can consider a mark as a well-known trademark only where it is so *determined* by a Court or by the Registrar. An observation in an interim order, he submits, does not constitute *determination* and relies, for the said purpose, on para 4.7 of the decision in *Borosil Glass Works v. O.P. Batra*³⁶. The protection of a well-known trademark against infringement, envisaged by Section 11(10)³⁷, he points out, is at the stage of registration, and cannot apply to an infringement suit. In any event, he submits that declaration as a well-known trademark cannot surmount either Section 28(3)³⁸ or Section 34, especially where the defendant has priority of use of the impugned mark vis-à-vis the mark asserted by the plaintiff. Section 11(11)³⁹, too, submits Mr. Bansal, would disentitle the plaintiff to injunction even if it were to be assumed that the plaintiff's trademark KHADI is in fact a well-known trademark. Where the same trademark is registered in favour of two persons for two different classes of goods, Mr. Bansal submits that each person would be entitled to use the mark for the category of goods in respect of which

³⁵ (8) Where a trade mark has been determined to be well-known in at least one relevant section of the public in India by any court or Registrar, the Registrar shall consider that trade mark as a well-known trade mark for registration under this Act.

³⁶ 1998 PTC (18) (Del)

³⁷ (10) While considering an application for registration of a trade mark and opposition filed in respect thereof, the Registrar shall—

- (i) protect a well-known trade mark against the identical or similar trade marks;
- (ii) take into consideration the bad faith involved either of the applicant or the opponent affecting the right relating to the trade mark.

³⁸ (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.

³⁹ (11) Where a trade mark has been registered in good faith disclosing the material informations to the Registrar or where right to a trade mark has been acquired through use in good faith before the commencement of this Act, then, nothing in this Act shall prejudice the validity of the registration of that trade mark or right to use that trade mark on the ground that such trade mark is identical with or similar to a well-known trade mark.



it is registered in its favour, and the other person cannot injunct such use. He relies, for this purpose, on paras 18, 26 and 27 of *A. Kumar Milk Foods Pvt Ltd v. Vikas Tyagi*⁴⁰.

42. Mr. Bansal submits that the reliance, by Ms. Majumder, on the Notice of Opposition filed by Defendant 1 against Application No 5046796 of the plaintiff is also misplaced. Application No 5046796, he points out, sought registration of the Devanagari mark “खादी”, on “proposed to be used” basis. Registration was sought for “hair oil, soaps, incense stick, bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; perfumery, essential oils, cosmetics, hair lotions, dentrifices”. He points out that, in para 13 of its opposition, Defendant 1 clarified the scope of the opposition as restricted to the registration of the “खादी” mark in favour of the plaintiff for soaps, bleaching preparations and other substances for laundry use. The plea of confusing similarity was also, therefore, vis-à-vis the said products, and not for all products covered by the plaintiff’s KHADI mark.

43. Mr. Bansal clarifies that his client only desires to use the impugned GIRDHAR KHADI mark for soaps and detergents. He reiterates that the plaintiff has produced no material to indicate priority of user of the KHADI mark vis-à-vis the user, by the defendants, of their GIRDHAR KHADI mark for soaps.

⁴⁰ 2013 (55) PTC 469 (Del)



44. Mr. Bansal thereafter proceeded to distinguish the judgments cited by Ms. Majumder. In *Midas Hygiene*, he submits that the defendant was not a registered owner of a trademark. *Hindustan Pencils* was a case in which the plaintiff had, in its favour, the benefit of prior user of the asserted mark, and, in *Bloomberg*, the plaintiff's mark had proven global reputation. As against this, he submits that the plaintiff in the present case has failed to prove any reputation of its mark KHADI for soaps.

45. A lapsed trademark cannot be asserted, submits Mr. Bansal and relies, for the purpose, on para 10 of *Thapsons Pvt Ltd v. Ashoka Food Industries*⁴¹.

46. In view of the longevity of user, by Defendant 1, of its GIRDHAR KHADI mark, and the delay on the plaintiff's part in approaching the Court, Mr. Bansal submits that the balance of convenience would also be against the grant of any interim injunction at this stage.

47. On instructions, Mr. Bansal submits that his client is willing to undertake to use, in its labels, "GIRDHAR" – whether in Hindi or English – in a larger font and print than "KHADI".

Submissions of Ms. Majumder in rejoinder

⁴¹ AIR 1992 Del 11



48. Mr. Bansal’s submission that the plaintiff has not been able to prove priority of user of the KHADI mark for soaps, vis-à-vis the defendants is, submits Ms. Majumder, fallacious. She once again draws attention, in this context, to (i) the KVIC Act, particularly Section 15, (ii) the recitals contained in the second 5 Year plan of 1956, and (iii) the Indian Express article of 17 February 1999. She additionally refers to an article dated 27 September 2018 in the magazine “OPEN” by Amita Shah, which stated that the plaintiff had “toilet soaps, pickles, honey, spices and *agarbatti* etc. in its portfolio”. The Tamil Nadu Drugs and Cosmetics Authority had also licensed the plaintiff’s supporting manufacturers for manufacturing soaps in 1988, prior to the commencement of use, by the defendants, of the impugned GIRDHAR KHADI mark for soaps. Ms. Majumder also relies upon the decision of a learned Single Judge of the High Court of Madras in *Padiyur Sarvodaya Sangh v. U.O.I.*⁴², which records that the plaintiff was manufacturing soap. She relies on *Hardie Trading Ltd v. Addisons Paint & Chemicals Ltd*⁴³ to contend that user need not necessarily be proved only by evidence of commercial sale of the product in the form of invoices.

49. Apropos the inclusion by the Trade Marks Registry of the plaintiff’s KHADI mark in its list of well-known trademarks, Ms. Majumder submits that, prior to such inclusion, the Registry had invited objections on 14 March 2022.

⁴² MANU/TN/0492/1999

⁴³ (2003) 11 SCC 92



50. Ms. Majumder reiterates that, though the registration possessed by them is of the mark GIRDHAR KHADI, the defendants are using the impugned mark as KHADI alone. In such a case, she submits, infringement is *prima facie* established and relies, for the purpose, on para 32 of *Bloomberg*.

51. Ms. Majumder further submits that the benefit of the registration of the mark GIRDHAR KHADI in favour of Defendant 1 cannot enure to the defendants' benefit, as the registration was not obtained in good faith. She submits that, at the time when the registration was granted, the plaintiff's KHADI trademark, registered under Class 3, was subsisting. A registration which is not obtained in good faith, she submits, cannot result in any benefit to the registrant.

52. Ms. Majumder contends that, as the trademark KHADI is registered in the plaintiff's favour for retail sales, and Classes 5 and 3 are similar, the plaintiff would be entitled to plead sub-sections (1) and (3) of Section 29⁴⁴ as well.

53. Relying on para 25 of the judgment of a learned Single Judge of this Court in *Rolex SA v. Alex Jewellery Pvt Ltd*⁴⁵ and the judgment

⁴⁴ 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.

(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.

⁴⁵ MANU/DE/2396/2014



of the Supreme Court in *Satyam Infoway Ltd v. Sifynet Solutions Pvt Ltd*⁴⁶, Ms. Majumder submits that it is significant that the defendants have no explanation as to why they use the mark KHADI. The defendants are, in fact, resorting to rank misrepresentation by referring to the goods, in all their invoices, as “KHADI”.

54. Relying on paras 4, 10 and 18 of the judgment of the Supreme Court in *N. R Dongre v. Whirlpool Corporation*⁴⁷ and the judgment of a learned Single Judge of this Court in *Polson Ltd v. Polson Dairy Ltd*⁴⁸, she submits that an action for passing off can lie even on the basis of a mark which has lapsed. She further submits, relying on the judgment of the Division Bench of this Court in *Raj Kumar Prasad v. Abbott Healthcare (P) Ltd*⁴⁹ and paras 11 and 14 of the judgment of a learned Single Judge in *Clinique Laboratories LLC v. Gufic Ltd*⁵⁰ that an action for infringement can lie against a registered trademark.

55. Section 134 of the Trade marks Act would not, according to Ms. Majumder, apply, as the plaintiff has priority of user of the KHADI mark, vis-à-vis the defendants.

56. Adverting to the judgments cited by Mr. Bansal, Ms. Majumder submits that the decision in *A. Kumar Milk Foods* applies where both the registered trademarks were used as per the terms of the

⁴⁶ (2004) 6 SCC 145

⁴⁷ (1996) 5 SCC 714

⁴⁸ 1994 (31) DRJ 220

⁴⁹ 2014 (60) PTC 51

⁵⁰ 2009 (41) PTC 41



registration, and the decision in *D.K. Electricals* was delivered after trial in the suit had been completed. Injunction was granted in the said case.

Mr. Bansal's submissions in surrejoinder

57. In surrejoinder, Mr. Bansal submits, relying once again on the judgment of the Division Bench in *Turning Point*, that reputation and goodwill has to be established by evidence of physical use of the mark.

58. Mr. Bansal also distinguishes the judgment of the High Court of Bombay in *Khadi & Village Industries Commission* on the ground that it involved a related and associated defendant who was copying the name of the plaintiff.

59. Apropos Ms. Majumder's submission that there was ample evidence of the plaintiff being involved in the manufacture of soap prior to 2005, Mr. Bansal submits that there is no evidence to indicate that the plaintiff was manufacturing soap under the KHADI mark prior to the user, or even the registration, of the GIRDHAR KHADI mark of the defendants.

60. *Bloomberg*, submits Mr. Bansal, is not applicable, as the onus on the plaintiff is to prove the existence of goodwill and reputation in the KHADI mark for soaps as in 2001 and 2005.



61. With that, submissions of learned Counsel concluded.

Analysis

62. A pre-emptive *precis*

62.1 Without entering into the aspect of deceptive similarity or infringement within the meaning of Section 29 of the Trade Marks Act, the plaintiff is *prima facie* not entitled to interim relief for four reasons.

62.2 Firstly, the defendant's GIRDHAR KHADI trade mark is registered in its favour. There can be no finding of infringement against a registered trade mark, unless the Court finds the registration to be invalid. There is no *prima facie* basis to hold that the registration of the defendant's GIRDHAR KHADI mark is invalid.

62.3 Secondly, no case of passing off can, *prima facie*, lie against the defendant either. For passing off to sustainably be alleged, the plaintiff has to prove goodwill and reputation *in the asserted mark, for the asserted goods*, prior to adoption of the rival mark by the defendant. There is no *prima facie* evidence, on record, of the plaintiff's mark KHADI having acquired goodwill or reputation, *for soaps*, prior to 2001, from which date the defendants claim user of the



GIRDHAR KHADI mark, or even prior to 2005, when the GIRDHAR KHADI mark was registered in the plaintiff's favour.

62.4 Thirdly, there is, *prima facie*, lack of forthrightness – in fact, suppression – on the part of the plaintiff in the plaint, thereby disentitling it to equitable relief. It is averred, in para 34 of the plaint, which deals with arising of the cause of action for its institution, that the plaintiff came to learn of the registration of the GIRDHAR KHADI mark in favour of Defendant 1 only in December 2020. In fact, Defendant 1 had, in its counter-statement to the plaintiff's opposition to Defendant 1's application for registration of the GIRDHAR KHADI mark in Class 29, filed on 24 December 2017, disclosed the fact of the earlier registration in Class 3. This fact is completely suppressed in the plaint, and the allegation to this effect, in para 7 of the Preliminary Objections in the written statement, finds no rebuttal in the corresponding para of the plaintiff's replication. The findings hereinafter would disclose why this omission appears, *prima facie*, to be egregious rather than inadvertent.

62.5 Fourthly, the considerations of balance of convenience and irreparable loss, coupled with the delay in the plaintiff initiating any action against the defendant, coupled with the volume of the defendants' sales in the market under the impugned GIRDHAR KHADI mark, also advise against grant of an injunctive order at this belated stage.



63. Goodwill and reputation of the plaintiff and the plea of passing off

63.1 The aspect of goodwill and reputation is relevant only for deciding the plaintiff's plea of passing off, by the defendant, of its products as those of the plaintiff. An action for infringement would lie irrespective of whether the plaintiff possesses, or does not possess, goodwill or reputation in the mark that it seeks to assert. Infringement is a statutory tort, unlike passing off, which is a common-law tort. As the statutory tort, the existence, or otherwise, of infringement has, in the facts of any given case, to be determined solely by reference to the competing marks and the goods on which they are used and Section 29 of the Trade Marks Act, the various sub-sections of which set out the circumstances in which infringement could be said to take place. Goodwill and reputation play no part in any of the said sub-sections except, to a limited extent, sub-section (4).

63.2 The plaint waxes eloquent on the reputation of the plaintiff and its KHADI mark, the various social activities in which it is engaged, the command that the KHADI brand has in the public eye, the involvement of the plaintiff in the PMEGP, and the like. These assertions are largely irrelevant to the controversy at hand. Defendant 1 is the holder of a registration for the word mark GIRDHAR KHADI, in Clause 3, for soaps and detergents, of 2005 vintage. The defendants desire to use the registered GIRDHAR KHADI mark only for soaps and detergents. What matters is, therefore, the reputation and goodwill, commanded by the plaintiff's KHADI mark *prior to*



2005 – treating the defendants’ claim of 2001 user as arguable at this point.

63.3 The Supreme Court has, in its recent decision in *Brihan Karan Sugar Syndicate Pvt Ltd v. Yashwantrao Mohite Krushna Sahakari Sakhar Karkhana*⁵¹ observed that, in a passing off action at the interim stage, “the statements of accounts signed by the Chartered Accountant of the plaintiff indicating the expenses incurred on advertisement and promotion and figures of sales may constitute a material which can be considered”. For this, the plaintiff has to provide, to the court, the figures relating to returns from sales, and advertisement and promotional expenses incurred, in respect of the use of the mark for the product forming subject matter of controversy. In the present case, as Mr. Bansal correctly points out, there are no figures reflecting the returns from sales of KHADI soaps or detergents by the plaintiff, or the advertisement or promotional expenses incurred by the plaintiff in that regard. The overall reputation of KHADI as a mark cannot, in law, be presumed to permeate every product of the plaintiff which is sold under the KHADI trademark. Else, the plaintiff would be able to claim goodwill and reputation even in respect of a product for which it has started using the KHADI mark just a few days earlier. That, quite obviously, cannot be the position.

63.4 Mr. Bansal alleges – and he is correct – that there is no evidence of use of the KHADI mark, by the plaintiff, prior to 2001 or even prior to 2005, when the GIRDHAR KHADI mark was registered in

⁵¹ 2023 SCC OnLine SC 1123



favour of Defendant 1. No doubt, Ms. Majumder has referred to the KVIC Act, the second 5 Year plan and various newspaper articles, and has also relied on the fact that the license for manufacturing soaps was granted to supporting manufacturers of the plaintiff in 1988. In the first place, none of these pieces of evidence, on which Ms. Majumder relies, proves use, by the plaintiff, of the trademark KHADI on soaps or detergents. Mr. Bansal has pointed out – and Ms. Majumder has not refuted this contention – that KHADI is not the only trademark which the plaintiff uses. The plaintiff has itself placed on record photographs of products bearing the marks “Zmaxx”, “SASA” and the like. Secondly, most of the material cited by Ms. Majumder only indicates that the plaintiff was venturing into the soap and detergent field. They do not evidence actual use of the mark KHADI for soap or detergent, within the meaning of Section 2(2)(c)(i)⁵² of the Trade Marks Act. Thirdly, newspaper articles may constitute evidence of goodwill or reputation, or of public awareness of a particular mark, but they cannot constitute evidence of user of the mark. This is for the simple reason that a newspaper article is the personal view of the author of the article, and it is not possible for the Court, at least at the interlocutory stage, to verify the correctness of the assertions contained in the article. Fourthly, a license to manufacture soaps is obviously no evidence of actual manufacture, much less user of the KHADI mark.

⁵² (2) In this Act, unless the context otherwise requires, any reference—

- (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, —
 - (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;



63.5 Moreover, Applications Nos 917385, 917387 and 917389 of the plaintiff, as per para 13 of the plaint, sought registration of the word mark KHADI in Classes 3, 29 and 30, and were all filed on 11 April 2000. All three registrations lapsed for non-renewal. *All three applications were on “proposed to be used” basis.* Of these, the only application which included, within its ambit, soaps or detergents, was Application 917389, which proceeded to registration *vide* Registration No 413897, issued on 25 August 2005. The goods covered by the said registration were “bleaching preparations and other substances for laundry use, cleaning, polishing, scouring and abrasive preparations, soaps, perfumery, essential oils, cosmetics, hair lotions, dentifrices”. *Thus, at least till 2000, user of the mark KHADI, by the plaintiff, for soaps and detergents had not commenced.* It was for the plaintiff, therefore, to lead evidence to indicate user, by it, of the trademark KHADI for soaps and detergents after 2000, and to precisely indicate the date from which user commenced. *More significantly, in order to maintain a plea of passing off against the defendant, the plaintiff would have to establish, positively, that, between 2000 and at least 2005, the user of the mark KHADI for soaps had not only commenced, but had also gained considerable goodwill and reputation. No such material is forthcoming.*

63.6 As against this, the GIRDHAR KHADI mark stands registered in favour of Defendant 1 for soaps and detergents in 2005, and that registration continues to subsist till date.



63.7 The existence of pre-existing goodwill and reputation, prior to the commencement of user of the impugned mark by the defendant, is an indispensable *sine qua non* for a passing off action to legitimately lie. The *terminus ad quem*, by which date the plaintiff has to prove the acquisition of the requisite goodwill and reputation for a plea of passing off to succeed, is the date of commencement, by the defendant, of the rival mark. Goodwill or reputation acquired by the plaintiff, in the asserted mark, after that date, is of no consequence.

63.8 The plaintiff has, *prima facie*, not been able to demonstrate goodwill and reputation commanded by the KHADI mark for soaps or detergents, prior to 2005 (by which time at least the defendants had adopted the GIRDHAR KHADI mark).

63.9 No *prima facie* case of passing off has, therefore, been made out by the plaintiff against the defendants.

64. Registrations held by plaintiff and defendants and infringement – Validity of defendant’s registration

64.1 The earliest subsisting registration of the plaintiff, in any mark of which KHADI is a part, whether in English or in Devanagari, is of 27 November 2014. Section 28(1)⁵³ confers a right to seek remedy

⁵³ 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



against infringement only on the holder of a validly registered trademark. Indeed, the very definition of infringement, in Section 29, presupposes the infringed trademark to be registered. The right to seek any remedy against infringement of the KHADI trademark would, therefore, be available to the plaintiff only on or after 27 November 2014, at the earliest.

64.2 Prior to that date, however, the impugned GIRDHAR KHADI mark already stood registered in favour of Defendant 1 w.e.f. 4 March 2005. As already noted, there is no evidence of user, by the plaintiff, of the KHADI mark for soaps or detergents prior to March 2005. Even if there had been any such evidence, the plaintiff would still not be entitled to maintain a claim of infringement against the defendants' GIRDHAR KHADI mark, as it was registered prior in point of time, and Section 28(1) clearly confers, on the registrant of a validly registered trademark, the exclusive right to use the mark. Section 28(3) would also apply in the facts of the present case, and would entitle the plaintiff to use the marks which are registered in its favour, and the defendants to use the GIRDHAR KHADI mark, registered in favour of Defendant 1, in respect of the goods for which the registrations have been granted.

64.3 Ms. Majumder has cited *Raj Kumar Prasad* to contend that there is no absolute bar against suing the proprietor of a registered

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.



trademark for infringement. But does *Raj Kumar Prasad* actually say so?

64.4 The Division Bench which decided *Raj Kumar Prasad* framed the issue that arose before it for consideration as “whether the registered proprietor of a trademark can sue another registered proprietor of a trademark *alleging deceptive similarity*”. The issue, as worded, makes no reference either to infringement or passing off.

64.5 *Raj Kumar Prasad*, on facts, involved a situation in which the respondent Abbott Healthcare (“Abbott” hereinafter) claimed that the trademark ‘ANAFORTAN’ stood registered in favour of its predecessor in interest in 1988 in Class 5 for pharmaceutical preparations. The trademark was, thereafter, assigned to Abbott. Abbott claimed that, by dint of extensive user of the mark by its predecessor in interest and, thereafter, by Abbott itself, the mark ‘ANAFORTAN’ had attained considerable goodwill and reputation. Abbott alleged that the appellant (before the Division Bench) Raj Kumar Prasad (“RKP” hereinafter) later surreptitiously obtained registration, in Class 5, of the mark ‘AMAFORTEN’. Abbott claimed that it intended to file a rectification proceeding against the said mark. It was also alleged that RKP had adopted, for its ‘AMAFORTEN’, a trade dress which was identical to the trade dress of Abbott’s ‘ANAFORTAN’. Abbott, therefore, sought an injunction against RKP from using the mark ‘AMAFORTEN’.



64.6 A learned Single Judge of this Court held, relying on Section 124⁵⁴ of the Trade Marks Act, that one registered proprietor of a trademark could sue another registered proprietor of another trademark, alleging deceptive similarity between the marks. RKP carried the matter to the Division Bench, in appeal.

64.7 Para 15, 16 and 18 to 20 of the report in *Raj Kumar Prasad* merit reproduction:

“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

⁵⁴**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 plaintiffs 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 plaintiffs 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 plaintiffs 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.
- (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.



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?

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 plaintiffs 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”.

19. At the hearing of the appeal, learned counsel for Abbott told us that Abbott has since proceeded to seek rectification of the trademark ‘AMAFORTEN’ obtained by Raj Kumar Prasad.

20. Ex-facie there is visual and phonetic deceptive similarity in the trademark ‘AMAFORTEN’ in comparison with the trademark ‘ANAFORTAN’. It has to be kept in mind that the competing goods are pharmaceutical preparations, the class of the goods is the same; the consumer is the same and the trade channel is the same. Concededly through its predecessors-in-interest Abbott has inherited the good will and reputation in its trademark ‘ANAFORTAN’ and would be entitled to protect the same. Whereas through its predecessors-in-interest Abbott is in the market since the year 1988 defendant entered the market somewhere in the year 2012 when the suit was filed. We note that the defendant has consciously not disclosed in the written statement the day it started selling the goods in the market. From the documents filed by the defendants we find that it applied to the Registrar of Trademarks for registration of the trademark “AMAFORTEW” on June 17, 2009 and was granted registration on July 12, 2011.”



The order of injunction passed by the learned Single Judge was maintained.

64.8 *Clinique Laboratories*, rendered earlier in point of time than *Raj Kumar Prasad*, also holds that a suit for infringement would lie at the instance of the proprietor of one registered trade mark against the proprietor of another. However, it also goes on to hold that an injunction can be granted only if the Court is satisfied that the registration of the defendant's trademark is invalid.

64.9 Thus, the position that emerges is that while, textually, the Trade Marks Act proscribes any infringement suit against a registered trade mark, or an order of injunction restraining the use of a registered trade mark, such a suit would be maintainable, and such an order could be passed, if the Court is satisfied that the defendant's registration is invalid. The Court is, while arriving at such a decision, to bear in mind Section 31(1) of the Trade Marks Act, which treats the very factum of registration as *prima facie* evidence of its validity. The threshold that the plaintiff would have to cross in such a case would, therefore, be very high. For this, not only must the plaint contain cogent pleadings alleging invalidity of the defendant's registration; it must also contain convincing grounds to satisfy the court, *prima facie*, that the registration is in fact invalid.

64.10 On the aspect of validity of Defendant 1's registered GIRDHAR KHADI mark, there are only two assertions in the plaint.



The first is that the defendants must have been aware of the prior use, by the plaintiff, of the KHADI mark and ought not, therefore, to have registered the mark. In this context, Ms. Majumder also points out that, on the date of application, by Defendant 1, for registration of the GIRDHAR KHADI mark, the earlier KHADI mark of the plaintiff, in Class 3, was still subsisting and surviving. Thus, it is sought to be contended that the registration of Defendant 1's GIRDHAR KHADI mark was obtained in bad faith within the meaning of Section 11(10)(ii)⁵⁵ of the Trade Marks Act. The second ground of challenge to the validity of the registration of Defendant 1's GIRDHAR KHADI mark is that Defendant 1 had not produced any proof of user of the mark since 2001, as claimed by it. The plaint avers that, though an affidavit of use was filed with the application for registration of the GIRDHAR KHADI mark, the affidavit claimed only w.e.f. 2004 and that too, by means of a mere statement.

64.11 These averments, in my view, do not make out a convincing case for this Court to hold that the registration of the trademark GIRDHAR KHADI in favour of Defendant 1 was invalid. Though, at that point of time, the plaintiff had a pre-existing registration for the mark KHADI in Class 3, Defendant 1, in its response to the FER which cited the said mark, adopted the stand that GIRDHAR KHADI was not deceptively similar to KHADI per se. The Trade Marks

⁵⁵ **11. Relative grounds for refusal of registration.** —

10 While considering an application for registration of a trade mark and opposition filed in respect thereof, the Registrar shall—

(ii) take into consideration the bad faith involved either of the applicant or the opponent affecting the right relating to the trade mark.



Registry apparently accepted the stand and registered the trademark GIRDHAR KHADI. The rectification petition filed by the plaintiff against the said registration is pending, and would meet its due fate in the fullness of time. I do not deem it appropriate to express any opinion in that regard.

64.12 The mere assertion – though it is *prima facie* presumptuous – that Defendant 1 *must have* been aware of the plaintiff’s existing KHADI mark registration under Class 3 when it applied for registration of the GIRDHAR KHADI mark in the same class, even if accepted for the sake of argument, does not suffice to characterize the registration of the GIRDHAR KHADI mark as having been obtained in bad faith. When granting registration to a mark, the Registrar is required, by Section 11(10)(ii), to take into account “the bad faith involved ... affecting the right relating to the trade mark”. The Trade Marks Act does not define “bad faith” or delineate the circumstances in which bad faith may be presumed to be involved. Wharton’s Law Lexicon, 15 Edn adopts the following understanding of the concept of “bad faith”, from *Harrison v. Telon Valley Trading Co. Ltd*⁵⁶:

“It is the opposite of good faith, generally implying or involving, but not limited to, actual or constructive fraud, or a design to mislead or deceive another, or any other sinister motive. Conceptually bad faith can be understood as a “dishonest intention”.”

In the context of Section 55(3)⁵⁷ of the CPC, P. Ramanatha Aiyar’s Law Lexicon, 5th Edn defines “bad faith” thus:

⁵⁶ (2004) 1 WLR 2577

⁵⁷ (3) Where a judgment-debtor is arrested in execution of a decree for the payment of money and brought before the Court, the Court shall inform him that he may apply to be declared an insolvent, and that he may



“Opposite of good faith; generally or involving actual or constructive fraud or design to mislead or deceive another, a neglect or refusal to fulfil some duty or some contractual obligation, not prompted by an honest mistake as to one’s right’s and duties, but by some interested or sinister motive.”

Linday J. observed, apropos “bad faith”, thus, in *Gromax Plasticulture Ltd v. Don & Low Nonwovens Ltd*⁵⁸:

“Plainly it includes dishonesty, as I would hold. It includes also some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined.”

Though *Harrison*, it is true, also went on, a trifle disconcertingly, to hold that “there is no requirement for an application to have been made dishonestly to establish ‘bad faith’”, I do not think that can be regarded as an absolute proposition of the law. Dishonesty, in my opinion, is a primal prerequisite for bad faith to be found to exist. Honest bad faith would be an oxymoron.

64.13 It is settled, by too many authorities to require reference, that the onus to prove the existence of fraud, or a dishonest motive, is on him who so alleges. Inasmuch as the gift of psychoanalysis is not possessed either by counsel or Court, the Court may legitimately presume the existence of bad faith, and dishonesty, where the circumstances overwhelmingly so indicate, and brook of no other explanation.

be discharged if he has not committed any act of bad faith regarding the subject of the application and if he complies with the provisions of the law of insolvency for the time being in force.

⁵⁸ (1999) RPC 367



64.14 Tested on this touchstone, it cannot be said that the plaintiff has been able to establish, even *prima facie*, that the registration of the mark GIRDHAR KHADI was obtained by Defendant 1 in bad faith. In the first place, it would be presumptuous to assume that Defendant 1 was aware, at the time of applying for the registration in 2005, that the mark KHADI stood registered in Class 3 in favour of the plaintiff. Even if it were, there was no proscription on Defendant 1 applying for the mark GIRDHAR KHADI for soaps and detergents, and contending that there was no likelihood of confusion between GIRDHAR KHADI and KHADI *per se*. Section 11(1)⁵⁹ of the Trade Marks Act does not absolutely proscribe registration of a trade mark which is similar to an earlier trade mark. Registration is proscribed only where, on account of the similarity, there is likelihood of confusion in the public, or of the public presuming an association between the marks. Had the defendant been applying for the registration of the very same mark KHADI for soaps, in full awareness of the existence of an earlier registration of KHADI for soaps held by the plaintiff, it might have been possible to infer bad faith on the part of the defendant. The defendant was applying, however, not for the mark KHADI but for GIRDHAR KHADI. At the highest, it could only be said that the defendant was not justified in presuming the absence of likelihood of confusion, were GIRDHAR

⁵⁹ 11. **Relative grounds for refusal of registration.** –

- (1) Save as provided in Section 12, a trade mark shall not be registered if, because of—
- (a) its identity with an earlier trade mark and similarity of goods or services covered by the trade mark; or
 - (b) its similarity to an earlier trade mark and the identity or similarity of the goods or services covered by the trade mark,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.



KHADI to proceed to registration. The application for registration of the GIRDHAR KHADI mark cannot *ipso facto* be regarded as tainted by bad faith, merely because the trade mark KHADI already stood registered in the plaintiff's name in Class 3.

64.15 Insofar as the aspect of user is concerned, it is an admitted position that Defendant 1 had filed an affidavit of user with the application for registration of the GIRDHAR KHADI mark. A statement of sales reflecting user of the mark with effect from 2004 was also filed with the application. So long as the application was accompanied by an affidavit of user, this Court cannot, at least at this *prima facie* case in any infringement suit, hold that the registration of the GIRDHAR KHADI favour of Defendant 1 was *prima facie* invalid.

64.16 In the absence of a *prima facie* finding of invalidity of Defendant 1's registration of the trade mark GIRDHAR KHADI, no action for infringement of the mark can lie at the instance of the plaintiff, which is a later registrant of the mark KHADI.

65. The Sequitur

The plaintiff has not been able, therefore, to make out a *prima facie* case of infringement or of passing off.

66. Suppression of fact



66.1 Mr. Bansal contends that the plaintiff's challenge to the defendants' GIRDHAR KHADI mark is highly belated. The assertion, in para 34 of the plaint, that the plaintiff came across the registration, in favour of Defendant 1, of the impugned mark GIRDHAR KHADI only in December 2020 is false. He points out that, in its counter statement to Notice of Opposition filed by the plaintiff to the defendants' Application No. 3409591 seeking registration of the GIRDHAR KHADI mark in Clause 29, the defendants specifically averred thus:

“2. That the applicant is already the registered proprietor under no. 1342394 in class 03 of the trademark “Girdhar Khadi” in respect of washing soaps, washing powder, bleaching preparations and other substances formed on the use, cleaning, take bath soap, included in class 3.”

66.2 Thus, at least since 26 December 2017, the plaintiff was aware of Registration No. 1342394 of Defendant 1 for the trademark GIRDHAR KHADI in respect of washing soaps, washing powder, bleaching preparations and other substances for laundry use, cleaning, cake bath soap in Class 3. There is, therefore, *prima facie* substance in Mr. Bansal's contention that, contrary to what is stated in paras 34 of the plaint, the plaintiff was, in fact, aware of the defendants' GIRDHAR KHADI registered trademark on and after 26 December 2017. It is worthwhile to reproduce, *in extenso*, para 7 of the “Preliminary Submissions and Objections” contained in the written statement of the defendants and the replication of the plaintiff thereto, thus:



Para 7 of Preliminary Submissions and Objections in written statement

“7. That it is stated that the plaintiff has pleaded false cause of action. Plaintiff falsely pleaded that the cause of action 1st arose in December 2020 when plaintiff came across the defendants trademark registration for the mark GIRDHAR KHADI under no. 1342394 and filed a rectification petition against the same. The Plaintiff purposely and wrongly shown the knowledge of the defendants trademark in December, 2020 whereas the plaintiff and knowledge of the defendants impugned trademarks GIRDHAR KHADI and BR KHADI at least since 15.05.2017. *Plaintiff concealed the defendant’s application for registration of trademark GIRDHAR KHADI under no. 3409591 in class 29 filed on 11.11.2016 with a claim of user since 01.04.2004 to which the plaintiff filed opposition on 15.05.2017 and defendant filed Counter Statement on 26.12.2017. Plaintiff mentioned that the defendant no. 2’s application for registration of trademark BR KHADI under no. 3409593 in class III filed on 11.11.2016 with claim of user since 01.04.2002 to which the plaintiff filed opposition on 15.05.2017 and defendant filed Counter Statement on 26.12.2017. Plaintiff falsely states that it was not aware of the defendant no. 1’s relation with defendant no. 2 in 2017.*”

(Emphasis supplied)

Corresponding para (para 7) of replication

“7. The contents of para 7 of the written statement are denied as being false. It is submitted that Plaintiff has pleaded the correct course of action. *It is also submitted that Plaintiff in its Complaint has revealed that it had opposed Defendant No. 2’s application for ‘BR KHADI’ under no. 340953 under class 3, hence the question that the Plaintiff concealed the opposition in 2017 does not arise in the 1st place. The Defendants were put to notice of the Plaintiff’s rights in KHADI trademark way back in the year 2017 and the Defendants have been carrying on using the impugned mark at their own risk and peril despite being put to notice.*”

(Emphasis supplied)

It is clear that the plaintiff is prevaricating in its replication to para 7 of the Preliminary Objections of the defendants in the written statement. Defendant 1’s application for the mark GIRDHAR KHADI and Defendants 2’s application for the mark BR KHADI



were both filed on 11 November 2016. The plaintiff filed oppositions to both applications on 15 May 2017. Counter statements, by way of response to both oppositions, were filed by Defendant 1 and Defendant 2 on the same day, i.e. 26 December 2017. In para 39 of the plaint, the plaintiff has acknowledged that it is not aware of any instance of use of the mark BR KHADI by the defendants. It has, in fact, reserved its right to amend the plaint in the event of any such instance of use of the BR KHADI mark, by the defendants, coming to its knowledge. In the absence of use, it is obvious that no action either for infringement or for passing off can lie against the BR KHADI mark – except, of course, for *quia timet* actions, which the plaintiff does not purport to be. The substantive grievance of the plaintiff is, therefore, against the use of the GIRDHAR KHADI mark by the defendants. Even so, while disclosing, in the plaint, the counter statement filed by Defendant 2 by way of response to the plaintiff’s opposition against the application of Defendant 2 for registration of the BR KHADI mark, the plaint is conspicuously silent regarding the counter statement filed by Defendant 1 by way of response to the plaintiff’s opposition to the application for registration of the GIRDHAR KHADI mark. It was in that counter-statement that Defendant 1 disclosed the fact that it had an earlier subsisting registration for the GIRDHAR KHADI mark. Without making any reference to the counter statement filed by Defendant 1 to the plaintiff’s opposition to Defendant 1’s application for registration of the GIRDHAR KHADI mark, the plaintiff, in para 34 of the plaint, chose to aver that it was only in December 2020 that it came to know of the registration of the GIRDHAR KHADI mark in favour of



Defendant 1. The omission, by the plaintiff, of any reference to the counter statement filed by Defendant 1 in response to the notice of opposition of the plaintiff against the application for registration of the GIRDHAR KHADI mark, even while making reference to the counter statement filed by Defendant 2 in response to the opposition to the application for registration of the BR KHADI mark, is, in equity, fatal to the plaintiff's claim for interlocutory relief. Concealment of material facts *ipso facto* disentitles a party to equitable relief from the court. What is worse, the plaintiff has, in para 7 of the replication, offered no explanation whatsoever for this glaring omission on its part, in the pleadings in the plaint.

66.2 Given the law enunciated in *Midas Hygiene*, it may not be possible to hold that delay in filing the suit is by itself sufficient not to grant relief to the plaintiff. I have already, however, found the plaintiff not to be entitled to relief either on the ground of infringement or on the ground of passing off, on merits. The omission, by the plaintiff, to disclose, in the plaint, the facts relating to the notice of opposition filed by the plaintiff to Application No. 3409591, seeking registration of the GIRDHAR KHADI mark in Class 29, especially the counter statement filed by Defendant 1 on 26 December 2017, disclosing the existence of the earlier registered GIRDHAR KHADI mark of Defendant 1 in Class 3, even while averring, in para 34 of the plaint, that the plaintiff came to learn of the Class 3 registration of Defendant 1's GIRDHAR KHADI trademark only in December 2020, operates as an additional spoke in the wheel of the plaintiff's entitlement to equitable interlocutory relief.



67. Balance of convenience and irreparable loss

67.1 Considerations of balance of convenience and irreparable loss would also dictate against grant of injunctive interlocutory relief to the plaintiff at this stage. Even if one were to regard as arguable the defendants' claim to user of the GIRDHAR KHADI mark since 2001, the undeniable fact remains that the mark is registered in favour of Defendant 1 since 2005. It is only a decade and a half later, in December 2020, that the plaintiff filed an application seeking cancellation of the defendants' GIRDHAR KHADI trademark. Reckoned from 26 December 2017, when Defendant 1 disclosed, in its counter statement to the notice of opposition filed by the plaintiff against Defendant 1's application for registration of the GIRDHAR KHADI mark in Class 29, the existence of its earlier subsisting registration for the same are in Class 3, too, the plaintiff still waited till December 2020 before filing the rectification petition and till February 2022 to institute the present suit. By then, the impugned GIRDHAR KHADI trademark had been in use for seventeen years. In that time, the business of the defendants in the GIRDHAR KHADI mark has grown by leaps and bounds to the extent that, in the year 2020-2021 alone, sales returns are to the tune of ₹ 32,64,70,791.60.

67.2 As per the plaint, there are no known sales of goods bearing the BR KHADI mark. The written statement filed by the defendants, too, even while averring that the GIRDHAR KHADI and BR KHADI marks were both being used, has provided examples of use only of the



GIRDHAR KHADI mark. There is no data available, on the record, relating to any use, by either of the defendants, of the BR KHADI mark, though it stands registered in the name of Defendant 2. *Prima facie*, therefore, sales of products bearing the GIRDHAR KHADI mark have, in the single year 2020-2021, fetched returns of ₹ 32,64,70,791.60.

67.3 Given these facts, though the delay *per se* may not be fatal to the case that the plaintiff seeks to set up, even if the plaintiff were to be treated as entitled to relief on merits, the considerations of balance of convenience and irreparable loss would not justify an injunction, restraining the defendants from using the GIRDHAR KHADI mark, pending disposal of the suit.

67.4 The limited direction that the facts of the present case would justify – and that too only because we are still at an interlocutory stage – is for the records of use, by the defendants, of the GIRDHAR KHADI mark, to be maintained and periodically filed with this Court.

68. As I have not found the plaintiff to be entitled to any relief of interim injunction against the defendants, it is not necessary to enter into any of the other issues raised by learned Counsel for both sides, though they have been duly noticed and noted earlier in this judgment.

69. The plaintiff is, therefore, *prima facie* not entitled to any interlocutory injunctive relief against use of the GIRDHAR KHADI mark by the defendants.



70. Re. the BR KHADI mark

71. Though the plaint avers that there is no known user of the BR KHADI mark by either of the defendants, the written statement contends otherwise, and asserts that the marks GIRDHAR KHADI and BR KHADI were both being used. No evidence of user of the BR KHADI mark is, however, forthcoming.

72. Even if it were to be assumed that the defendants were using the BR KHADI mark, no *prima facie* case for injunction against such use can be said to exist in the plaintiff's favour, as the findings hereinabove, apropos the GIRDHAR KHADI mark, would – except for the finding regarding suppression of fact – apply *mutatis mutandis* to the prayer for injuncting use of the BR KHADI mark as well.

73. No *prima facie* case for injuncting the defendants from use of the BR KHADI mark can, therefore, be said to exist, either.

Conclusion

74. The prayer for grant of interlocutory injunction restraining use, by the defendants, of the GIRDHAR KHADI and BR KHADI marks is, therefore, declined.



75. The defendants shall, however, maintain accounts of the manufacture, stock, and sales of the products bearing the marks GIRDHAR KHADI and BR KHADI, effected by them, and file accounts with this Court every three months, pending disposal of the suit.

76. Subject thereto, IA 3114/2022 is dismissed.

77. This judgment shall take effect only on reopening of the Court on 3 January 2024.

C.HARI SHANKAR, J

DECEMBER 26, 2023