# Heir of the Family Trademarks

Thought Leadership • May 29, 2025

*'First published on Lexology'*

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Trademarks play a pivotal role in distinguishing the goods or services of one entity from those of another. When it comes to family-run businesses, certain trademarks—often referred to as *family trademarks*—embody the collective goodwill, legacy, and reputation built by generations. These marks, when passed down through the family line, can be both a valuable asset and a source of contention, particularly when members diverge in business operations or vision.

## Understanding Family Trademarks

A family trademark refers to a mark used within a family enterprise, where multiple members either actively use or assert rights over it. Unlike ordinary trademarks, which are typically owned and controlled by a single legal entity or individual, family trademarks often represent joint or parallel ownership—especially when inherited or jointly developed over time.

Such trademarks are characterized by:

- Shared ownership or interest among family members
- Association with a legacy family business
- Strong consumer recognition connected to the family identity

### Legal Definition of 'Family'

The Supreme Court in *Kale & Ors. v. Deputy Director of Consolidation & Ors.*[1] clarified that the term "family" should be interpreted broadly. It encompasses not only close legal heirs but also individuals with antecedent titles, claims, or even expectations of succession (*spes successionis*). This broad interpretation ensures that familial disputes are settled comprehensively, minimizing prolonged litigation.

### Nature of Disputes in Family Trademarks

Disputes over family trademarks usually arise under the following circumstances:

- Succession or division of the family business

- One member attempting to monopolize the use of a shared trademark
- Expansion into overlapping business domains by different family branches

In absence of an explicit agreement, family members share the goodwill associated with a family trademark and have equal rights to its use. Thus, the Courts may allow multiple parties to use the same surname in their trademarks if they can demonstrate honest concurrent use without causing confusion among consumers. In trademark disputes involving family members, Indian courts have consistently emphasized the importance of maintaining familial harmony. Judicial decisions often reflect a preference for upholding existing family arrangements to avoid disrupting the peace and balance within the family unit.

The Delhi High Court in *Darshan Lal Dhooper vs Motia Rani And Ors.* "*accepted the legal position that the family arrangement should not be disturbed as far as possible and that the peace, amity and family harmony could be restored if the family arrangement is adhered to and respected.*"[2] In this case a dissolution deed was present as a family arrangement. The dissolution deed specified that neither the petitioner nor respondents Nos. 1 to 3 could individually claim ownership over the 'Plaza' mark. It was agreed that all registrations would be made jointly, reflecting the principle of shared goodwill and a common family legacy. Consequently, the registrations granted in favour of respondents Nos. 1 to 3 were held to be contrary to the provisions of the Act and were asked to be remove/cancelled. Further, in Vimi Verma vs Sanjay Verma & Ors.[3] the family settlement was recorded by way of a Memorandum of Understanding between the parties. Keeping the MOU in consideration, the Court asked both the parties to comply as per the terms of the MOU and division of marks was done based on the clauses earlier agreed upon in the MOU, which was in the following manner:

*"a) Trade marks "Simpex" and "Simpex-pro" or any other similar or sounding similar or imitation of these trademarks will exclusively belong to Group 2 family sub group of Mr. Pankaj Verma, his spouse, children and HUF of Mr. Pankaj Verma.*

*b) Trade marks "Prolite" and "Profit" and brand label "VS" or any other similar or sounding similar or imitation of these trade marks or brand label will exclusively belong to Group 1 family sub group of Mr. Sanjay Verma, his spouse, children and HUF of Mr. Sanjay Verma.*

# Notable Case Studies

Several high-profile disputes have highlighted the challenges of managing family trademarks in India:

### 1. Parle Products Pvt. Ltd. v. Parle Agro Private Limited[4]

The Bombay High Court examined a trademark dispute involving members of the same family, both operating under the well-known brand name “Parle.” The dispute stemmed from a legacy family business, where the ancestors of both the plaintiff (Parle Products Pvt. Ltd.) and the defendant (Parle Agro Pvt. Ltd.) were engaged in the manufacturing of biscuits and beverages. Over time, the two sides amicably split their operations: the plaintiff took charge of the biscuit segment, while the defendant focused on beverages. For years, both entities continued to use the common family trademark “PARLE,” each in connection with their respective domains—Parle Products with biscuits, and Parle Agro with beverages. This parallel coexistence functioned without major friction, despite both companies remaining in the broader food and beverage sector.

Tensions arose in 2007 when Parle Agro ventured into the biscuit market—traditionally dominated by Parle Products. The latter objected, arguing that the use of the “Parle” trademark by Parle Agro for biscuit products could mislead consumers into believing the products came from a single source, potentially diluting their brand identity.

The court was tasked with determining whether Parle Agro’s use of the shared trademark in a new product category—biscuits—constituted infringement or misrepresentation. The Bombay High Court noted that there was no formal agreement restricting either party from entering into each other's line of business. It further clarified that when former partners or related entities use a shared mark, they are entitled to refer to their historical association, provided it does not imply a current affiliation or cause consumer confusion.

Ultimately, the court ruled that while Parle Agro could use the “Parle” name, it must do so in a way that clearly differentiates its products from those of Parle Products. This includes using distinct branding and disclaimers to prevent misrepresentation and preserve the unique identity and goodwill of each business.

The court directed that the defendant shall mention the following on the labels of the products henceforth manufactured by the defendant as “Manufactured by Parle Agro Pvt. Ltd.” Followed: “[Jayantilal Group] – having no relationship whatsoever with Parle Products Private Limited” in a little larger font.

### 2. M. Murali v. Sri Krishna Sweets Pvt. Ltd.[5]

In this case, two brothers claimed rights to use the 'Sri Krishna Sweets' trademark, inherited from their father. The Madras High Court ruled that both brothers had equal rights to use the trademark, highlighting that disputes over family trademarks should be viewed as family disputes rather than mere trademark issues.

### 3. Shri Ram Education Trust v. SRF Foundation[6]

The Delhi High Court, treating the matter as a family dispute, opined that one family member cannot

claim exclusive ownership of a family trademark. All heirs of the original adopter of the mark have equal rights to adopt and use the same, unless there's evidence to the contrary.

The observation of the Delhi High Court is given below:

*"16. One member of the family cannot, without something more being shown to the contrary, claim exclusive ownership of the mark. All the heirs of the person who first adopted a mark and put the same to use and earned goodwill and reputation shall, prima facie, have equal rights to adopt and use the same. Something more than mere prior adoption by one of the heirs would have to be shown so as to extinguish the rights of the other heirs."*

### 4. Rajni Dua And Ors. vs Bhushan Kumar And Ors.[7]

A handwritten family settlement dated 21st February 1998 granted the plaintiffs a perpetual licence to use the "T-Series" trademark for specific products they had been manufacturing and selling since 1988, including detergent powders, detergent cakes, soaps, dhoop, agarbatti, and havan samagri. Following the death of Mr. Gulshan Kumar, disputes arose when defendants objected to the plaintiffs' use of the mark, despite the clear terms of the settlement. Legal notices were issued by defendants and were published in the newspapers, thereby persisting with the interference. Consequently, the plaintiffs filed a suit seeking a mandatory injunction to restrain the defendants from interfering with their exclusive use of the "T-Series" trademark for their designated goods. The court decided that *"In the interest of justice it has become imperative to direct the defendants not to interfere in the use of the trade mark and logo "T-Series" as far as items which are being manufactured by the plaintiffs are concerned. The defendants are further restrained from using the trade mark logo "T-Series" in relation to the plaintiffs' products. Similarly, the plaintiffs shall not use the Trade Mark or Logo "T-Series" for any other products except the products which the plaintiffs have been manufacturing, selling or marketing during the lifetime of Mr. Gulshan Kumar."*[8]

### 5. Hero Group – Munjal Family

Similarly, the family feud among the owners of one of the country's major bicycle manufacturers, Hero Cycles began when the company was split in May 2010 wherein a "Trade Mark and Name Agreement" dated May 20, 2010 was entered between the parties. It was decided its name Hero Cycles could be used only by Om Prakash Munjal, one of the four Munjal brothers who had established the Hero group in Ludhiana in 1956 while the other divided units of the family have to use other names. In 2021, VR Holdings filed a case[9] against Hero Investcorp in the Delhi High Court, seeking rectification of a trademark. The Delhi High Court's single judge rejected VR Holdings' application, and they appealed this decision. The main issue was whether an appeal (LPA) was maintainable against the single judge's order. The Supreme Court ultimately refused to interfere with the Delhi High Court's stay order in the matter.

### 6. Reliance Group – Ambani Brothers

In 2006, Reliance Industries, a well-known family business in India, underwent a division between brothers Anil Ambani and Mukesh Ambani. As part of this division, they entered into a Trademark Management Agreement that outlined the terms under which they could use the Reliance name and logo. The agreement stated that rights to the trademark for any business not reserved under any agreement would belong to the party that first started that business.

### 7. Meena Bazaar

It is important to highlight the situation where two brothers, both from the same family, are independently using the trademark "MEENA BAZAAR" in the Indian marketplace. This presents a unique case of concurrent use, where both individuals have established businesses that operate under the same brand name, albeit in different capacities or regions. In this context, the brothers have entered into a formal agreement that outlines the terms under which they can both use the "MEENA BAZAAR" trademark. Such agreements are crucial in ensuring that the use of the trademark does not lead to confusion among consumers or result in disputes regarding ownership or rights over the name.

Furthermore, such agreement may also define the rights vested with each individual, detailing how profits, responsibilities, and branding efforts are shared or independently managed. This ensures clarity and avoids conflicts over the management of the family trademark. For example, one brother may focus on retail operations in a particular region, while the other may concentrate on manufacturing or online sales, yet both use the same "MEENA BAZAAR" brand. The legal recognition of such agreements is essential, as it provides a structured framework within which both parties can operate without infringing on each other's rights.

### 8. Lodha Dispute

The Lodha siblings (Abhishek and Abhinandan) parted ways in 2015. By way of a family settlement Abhishek Lodha was appointed as the CEO of the Lodha Group (later renamed Macrotech). This settlement was later taken up as a part of lawsuit by Abhishek Lodha against Abhinandan Lodha and his group companies.

A 5000 crore trademark lawsuit in the Bombay High Court was filed against the younger brother Abhinandan Lodha, who is the founder of the House of Abhinandan Lodha (HoABL). Abhishek (the elder brother) claimed that HoABL is marketing their business in a manner which is deceptively similar to their brand name of 'LODHA'.

The Bombay High Court[10], took it as a family dispute despite Macrotech not being a part of the family settlement entered in between the parties and asked the parties to settle the matter amicably

by way of a mediation. After three months of mediation, as a part of the settlement, Macrotech Developers Ltd, led by Abhishek Lodha, will retain exclusive ownership and usage rights of the brand names 'Lodha' and 'Lodha Group'. His younger brother Abhinandan Lodha will exclusively own and use the brand name 'House of Abhinandan Lodha' (HoABL).

# Legal Takeaways and Best Practices

Indian courts have increasingly recognized the value of formal family settlements—whether in the form of:

- Memoranda of Understanding (MoUs)
- Dissolution deeds
- Trademark Management Agreements
- Arbitration or mediation outcomes

Such agreements typically cover:

- Division of product lines or territories
- Use of disclaimers and brand differentiation
- Mutual non-interference clauses
- Trademark licensing arrangements

These documents serve as a preventive legal shield, reduce ambiguity, and ensure enforceability in case of disputes.

Any party involved in the agreement is required to uphold harmonious relationships and avoid causing any disruptions to the other party's business operations. Should any party engage in actions that harm the business interests of the other party, the agreement can be challenged and the parties can bring a legal action against the other.

This proactive step of entering into a settlement which can be in any form, i.e., a settlement deed or dissolution deed, or a Memorandum of Understanding, which is to divide either the businesses or the territories of use of the family marks- can save time, effort, and cost in the event of a division of a family business and the associated trademark. Such agreements safeguard the family's legacy associated with the trademark, allowing members of the family to benefit from the brand's reputation while maintaining individual autonomy in their respective ventures. Moreover, having a formal agreement in place helps mitigate the risk of future disputes, providing a clear reference point in case any issues arise regarding the use or expansion of the trademark. In cases where family members use a shared trademark, it is essential to balance the protection of family goodwill with the practical realities of business operations, ensuring that the name continues to represent the family's legacy and values without causing confusion or market fragmentation.

# Conclusion

Family trademarks represent more than just a business asset; they encapsulate the heritage, legacy, and reputation of a family-run enterprise. These trademarks often embody the values, history, and identity that the family has cultivated over generations. Given their significance, legal disputes over family trademarks frequently arise from internal family disagreements, where emotions and personal interests can complicate the matter.

In the Indian legal context, courts recognize the unique nature of such disputes, prioritizing the preservation of family harmony. As a result, legal rulings often address these disputes through the lens of family law, acknowledging that conflicts over trademarks may have deeper roots in familial dynamics, rather than solely in business or intellectual property concerns. This approach underscores the importance of maintaining unity within the family while safeguarding its business interests.

To avoid costly and divisive legal battles, it is advisable for family members to proactively define their rights and responsibilities in relation to family trademarks through formal agreements. Such agreements can help clarify ownership, usage rights, and expectations, reducing the risk of misunderstandings and disputes in the future.

Ultimately, the goal should be twofold: first, to protect and preserve the goodwill that is inherently tied to the family trademark and, second, to ensure that the integrity and unity of the family are maintained. The family's legacy should not only be reflected in the strength of the brand but also in the continued cohesion and collaboration of its members, who have collectively contributed to its success. By taking preventative legal measures, such as adding clauses which clearly demarcate the rights of the party's vis a vis the marks, family members can help secure the brand's future while simultaneously safeguarding their familial relationships.

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