India: Trademark Infringement Between Registered Proprietors

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By: Tusha Malhotra and Sugandha Yadav

Trademark infringement by a party who is not a registered proprietor is cut and dry. Indian courts have recently attempted to re-settle the law when infringement occurs between registered proprietors. **Tusha Malhotra** and **Sugandha Yadav** explain.

Section 29 of India's Trade Marks Act, 1999 categorically lays down the law on infringement of a registered trademark by a person who is not a registered proprietor. The metes and bounds of the law of infringement of a registered trademark by a person who is a registered proprietor is governed by an interplay between Sections 28, 29, 30(2)(e), 31 and 124.

Issue: Whether the registered proprietor of a trademark can sue another registered proprietor of a trademark alleging deceptive similarity?

The Division Bench, in an attempt to re-settle the law, in *Abros Sports International Pvt. Ltd. v. Ashish Bansal & Ors. [2025 SCC OnLine Del 3410]* recently examined the above position and reached a stricter interpretation of law in an action for infringement against a registered proprietor. Before discussing the decision of the Division Bench, we will first understand the interplay between Sections 28, 29, 30(2)(E), 21 and 124 and the cases that interpreted the same.

Interplay between sections 28, 29, 30(2)(e), 31 and 124

Structure of the Trade Marks Act, 1999

Section 28(1) of the act entitles a registered proprietor of a trademark to obtain relief in respect of infringement of its exclusive right to use the registered trade mark. Section 28(3) provides that where two or more persons are registered proprietors of trademarks, the exclusive right to the use of any of those trademarks is not acquired by any one of those persons as against any other of those persons merely by registration of the trademarks.

Sections 29(1), (2) and (4) contemplate a registered trademark to be only infringed by a person who is not a registered proprietor.

Section 30 provides limits on the effect of a registered trademark, where under Section 30(2)(e) a registered trademark is not infringed where the use of a registered trademark is in exercise of the right to the use of that trademark given by registration under this act.

The guiding force, viz., Section 124, although a provision for stay of proceedings to allow for filing of a rectification, nevertheless also speculates pendency and maintenance of proceedings of infringement against a registered proprietor.

Previous decisions

The Single Bench of the Delhi High Court in *Clinique Laboratories Llc and Anr. v. Gufic Limited and Anr.*, giving a purposive interpretation to the statue by also reading Sections 31 and 124, holds that a suit for infringement is maintainable against a registered proprietor. In such a suit for infringement, interlocutory orders can be passed against a registered proprietor as per Section 124(5). The court, in this regard, further holds that while passing such interlocutory orders, the court will first have to *prima facie* adjudicate the validity of the two competing registrations. The court further held that under Section 124(5), a court is empowered to grant injunction against use of a registered trademark if the court is satisfied of the invalidity thereof.

The rationale behind the Single Bench's decision is its key reliance on Section 31, which states that a registration is only *prima facie* evidence of validity of a trademark. In Clinique, the court observed that if the intention of the legislature would have been that no action for infringement could lie against a registered proprietor, then the legislature would have only stipulated that as long as a registration exists it is valid, without any question of prima facie or not. In fact, the court further observed, that this reasoning is fortified by the opening of Section 28, which further provides that "registration of a trademark, *if valid*, gives to the registered proprietor" exclusive right to use the trademark. Accordingly, the court held that a validity of a registration can be gone into wherever permissible in the act.

While reading Sections 31 with 124, in Clinique, the court further observed that upon reaching a conclusion that a registration is only *prima facie* evidence of validity, if the court is satisfied on basis of material of record, it is empowered to injunct use of a registered trademark under Section 124(5). In fact, the court concluded that if the legislature had felt that there could be no infringement by a registered trademark, there was no need to provide for such a suit as in Section 124(1)(b) and (i), and further under sub-clause (i) of 124(1) where the suit can be instituted even where the rectification proceedings are pending, i.e., where the plaintiff is even at the time of institution of the suit aware of the defendant having a registered trademark. Thus, the court held that a suit for infringement of registered trademark is maintainable against another registered proprietor of identical or similar

trademark.

This position has been consistently upheld by a series of judgements in *Bloomberg Finance v. Prafull Saklecha & Ors., Abbott Healthcare Pvt. Ltd. v. Raj Kumar Prasad & Ors., Rajnish Aggarwal v. Anantam, The Indian Hotels Co. v. Ashwajeet Garg and Ors. and Siyaram Silk Mills Ltd. v. Shree Siyaram Fab Pvt. Ltd.*

Further, the suit of infringement is to be disposed of conformably per Section 124(4) with the final order in the rectification proceedings so far as the issue of validity of the registration of the (impugned) trademark is concerned.

This reasoning has also been upheld by the Division Bench of the Delhi High Court in *Raj Kumar Prasad v. Abbott Healthcare Pvt. Ltd.* which was subsequently followed by another *Division Bench decision in Corza International v. Future Bath Products Pvt. Ltd.*, wherein it was held that under Section 124, the legislative intent is clearly disclosed as, as per sub-Section 5 of Section 124 a stay of the suit, to enable either party to take recourse to rectification proceedings before the Registrar of Trademarks, is permissible, but after considering what interlocutory order needs to be passed.

Recent critical analysis by Division Bench

Recently, the Division Bench in *Abros Sports International v. Ashish Bansal* critically examined and deferred from the reasoning of the Division Bench in Raj Kumar Prasad. The court emphasized that infringement under Section 29 is only committed by an unregistered mark. It held that a registered trademark, even if deceptively similar to another registered mark, cannot constitute infringement by the statutory design.

The Bench stated that the registration itself is a complete defence under Section 30(2)(e) and that relief under Section 28(1) cannot override the statutory right of another registered proprietor under Section 28(3). Thus, no infringement proceedings can lie against a registered proprietor of a trademark.

The court concluded that Section 124 does not create a right to sue for infringement against a registered proprietor but merely provides a procedural framework when in a suit for infringement the defendant pleads registration as a defence under Section 30(2)(e). Thereafter, once the validity of the allegedly infringing registered trademark is adjudicated, and once the registration is invalidated in rectification proceedings, then the suit can proceed on the aspect of infringement.

Debating the question of whether a court can injunct the use of such a mark until the registration of defendant's mark is declared invalid and the mark is removed from the register, the Division Bench in *Abros Sports International v. Ashish Bansal* framed questions to be considered by a higher bench, which are as below:

1. Whether a suit for infringement can lie against the proprietor of a registered trademark, with respect to the use of such trademark.
2. Whether, assuming such a suit can lie, the court can pass any interlocutory order, injuncting the use by the defendant of the allegedly infringing registered trademark.
3. Assuming the court can do so, whether such an order of injunction can be passed without, in the first instance, the proceedings going through the steps envisaged, i.e., without:
   a) The defendant raising a Section 30(2)(e) defence,
   b) The plaintiff pleading invalidity of the defendant's trademark in response thereto,
   c) The court being satisfied that the plea of invalidity raised by the plaintiff is tenable,
   d) An issue being framed by the court in that regard,
   e) The suit being adjourned by a period of three months in order to enable the defendant to initiate rectification proceedings,
   f) Rectification proceedings being initiated by the defendant within the said period, and
   g) Trial of the suit being stayed, pending the outcome of the rectification proceedings, OR
   h)Whether the mere incorporation in the plaint of a plea that the registration of the defendant's trademark is invalid is sufficient to empower the court to injunct the defendant from using its registered trademark on the ground of prima facie infringement, without proceeding through steps a) to g) above.
4. Whether, therefore, the judgment in *Raj Kumar Prasad v. Abbott Healthcare (P)* Ltd. can be said to be laying down the correct legal position, particularly in paragraph 18 thereof.

Functioning of the Trade Marks Office

The functioning of the Trade Marks Office, more so since the abolishment of the Intellectual Property Appellate Board, has been heavily criticized on several occasions by the courts.

In *M/s. Satyam Infoway Ltd. v. Siffynet Solutions Pvt. Ltd.*, the Supreme Court pointed out that the trademark registry had granted registration of domain names that were confusingly similar to existing trademarks. The court emphasized the need for more vigilance in ensuring that trademark registration does not infringe upon existing rights, including those concerning domain names.

The functioning of the Trade Marks Office has been time and again criticized by the Supreme Court for numerous reasons including improper examination, non-application of mind, unreasoned orders, failure to appreciate material on record, etc. in several decisions such as *Chime Financial, Inc. v. The Registrar of Trade Marks, Vineet Kapur v. Registrar of Trade Marks, Henkel Ag and Co. Kgaa v. The Registrar of Trade Marks, etc.*

With the criticism on the Trade Marks Office and the recent decision of the Division Bench in *Abros* holding that infringement cannot lie against a registered proprietor, this position leaves a legitimate registered proprietor in conundrum of the enforceability of its rights.

Conclusion

During the pendency of the above questions, will a litigant remain remediless in a case where its registered mark is being infringed by a registered proprietor? The simple answer is, no.

Fate of litigants during pendency of reference before larger bench

It is a settled position of law that pendency of a reference to a larger bench does not necessarily imply that all other proceedings involving the same issue would remain stayed until a decision is rendered in the reference. Until such time as the decisions cited at the Bar are not modified or altered in any way, they continue to hold the field. When faced with conflicting judgments by benches of equal strength, it is the earlier one which is to be followed. *See*, for example: *National Insurance Co. Ltd. v. Pranay Seth, Ashok Sadarangani v. Union of India, B. Harbhajan Singh v. State of Punjab and Neeraj Singhal v. Directorate of Enforcement.*

Remedy under common law

Even otherwise, while the right of the exclusive use of a trademark is a statutory right, the common law rights under the trademark exist regardless of registration of the same. It has been held time and again that registration of a trademark is merely recognition of the rights pre-existing in common law and, in case of conflict between two registered proprietors, the evaluation of better rights in common law is essential as the common law rights would enable the court to determine whose rights between the two registered proprietors are better and superior in common law.

In such cases, the aggrieved party can claim the remedy of passing off under common law. The same has been the guiding principle in the case of *S. Syed Mohideen v. P. Sulochanabai*, whereunder the Supreme Court categorically held that passing off right is a wider remedy than that of infringement.

Solidifying the above stance, the Supreme Court in *Neon Laboratories Limited v. Medical Technologies Limited and Others* held that the party who has commenced the use of the mark shall have superior right over the subsequent user, and such a party would be entitled to temporary injunction, being the "first in the market".

The court in this case also referred to *N. R. Dongre v. Whirpool Corporation and Milemt Oftho Industries v. Allergan Inc.* to further reiterate that the worldwide prior user is given preference over the registered proprietor of a trademark in India, for registration is not an indefeasible right, and in such cases the injunction would follow on satisfaction of the principles of passing off.

Hence, a litigant is not left remediless and is equipped with the remedy of passing off at its disposal against another registered proprietor.

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