Arbitrating Trademark Disputes Following Mangayarkarasi – The Extent of Contractual Reach into Public Law

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The Supreme Court of India's 2025 decision in *K. Mangayarkarasi and Anr v. N. J. Sundaresan* marks an important turn in Indian arbitration jurisprudence and delimits, for the first time, what constitutes the permissibility and the scope of arbitration within the Indian legal order. [1] The case is regarding an application under Section 8 of the Arbitration and Conciliation Act, 1996, within which a trademark-related query is embedded.

A close reading of the judgment suggests that there is a wider judicial intent. The Court leans towards allowing the settlement of property-related disputes through private arbitral tribunals rather than by the courts themselves. The judgment also reveals a judicial willingness to admit arbitral involvement in deciding on the veracity of documents in intellectual property cases in India. The *Mangayarkarasi* judgment thus becomes an important indicator of how far the Supreme Court of India is willing to go to enhance arbitration as a dispute resolving mode in India.

A Familiar Narrative of Disputes

The facts involve a familiar scenario - a family business develops into a valuable brand, the relationships among the stakeholders break down, and disputed documents come to light with accusations of forged signatures. Claims of trademark infringement are joined by complaints about the misappropriation of a disputed brand. The parties filing the dispute invoke arbitration based on contract, while opposing parties argue that issues over trademark rights are public in nature and should be litigated in court. The trial court and High Court reviewed the issue and concluded that a dispute of this character requires judicial resolution. The Supreme Court however, aligns with the contract scheme, and holds that the correct forum is arbitration. It therefore held that the veracity of the forged documents and the trademark rights that emanate from this document, are questions that are to be decided in the arbitration. The reasoning of the Court focuses on the dominant question of the contracts between the parties, holding that they are so central to the dispute, that resort to the particular statutory regime applicable to trademarks is beside the point. In this respect, the Court adopts contract-based analysis as superior to the application of the Trade Marks Act, 1999.

Doctrinal Lineage and Judicial Momentum

Mangayarkarasi thus finds its place in a larger pro-arbitration trend in Indian jurisprudence. The structure of the ratio relies on the lexicon of in rem and in personam rights as enunciated in *Booz Allen Hamilton* (2011)[2] and other decisions since *Ayyasamy Palayappan* (2016)[3] refined the fraud exception, and *Vidya Drolia* (2020)[4] reconstituted the arbitrability analysis through the rubric of minimal judicial intervention. *Mangayarkarasi* takes these doctrinal trends to their logical conclusion by applying them without reservation to patent and copyright disputes. The tenor of the combined lessons is that most disputes are arbitrable, though with some exceptions. The party that resists arbitration must establish sufficient cause, as emphasized once again in *Mangayarkarasi*.

From the perspective of the institution, this demonstrates the predilection of courts for speed, specialty, and finality. All these are preferences nurtured by commercial parties and increasingly adopted by the courts. The docket pressures of courts and the need to conserve judicial resources themselves enhance acceptance of arbitration to alleviate congestion. The *Mangayarkarasi* ruling supports such a practical impulse, supplementing the emergent view of arbitration as a preferred route for resolving certain classes of disputes, including those involving intricate intellectual property agreements.

This development signals a methodological shift in how trademark rights are conceptualized under Indian law. The Court in this judgment, looks at trademarks through a perspective that emphasizes contractual arrangements over public regulative concerns. In *Mangayarkarasi*, it has approached the dispute regarding trademark as one arising essentially from private agreements rather than issues of public law or market regulation. When framed so, arbitration becomes the natural mechanism for resolving such disputes. This reflects the larger retreat from expansive public law considerations toward contract-centric reasoning. In that sense, *Mangayarkarasi* represents a sea change in the way trademark rights are treated under Indian law.

Rights in Rem and the Fragility of the Doctrinal Architecture

The Court draws an analytical line between rights in rem and rights in personam. This binary choice conceals the nature of rights in rem and rights in personam, particularly in areas, such as the law of trademarks, which combines public-regulatory and private-contractual elements. Trademarks are neither purely proprietary nor purely contractual; they are public signs that affect competition and consumer choice but are also grounded on private contracts, licenses, and assignments. When a tribunal determines title or other rights to a trademark, the impact ramifies beyond the parties, with potential consequences for market practices as well as licensing arrangements, throughout supply chains, distributors, and licensees. The Court descales those wider implications in its reasoning, making the arbitral outcome an issue of private concern rather than an event with public consequence.

One important implication of *Mangayarkarasi* involves the transition of contract-based reasoning into the domain of intellectual property. Private settlements and agreements are, of course, essential to IP transactions, ranging from licensing to franchising, co-branding, and assignments. Yet such arrangements do not exhaust the legal dimensions of ownership and market regulation. *Mangayarkarasi* hence raises important questions with respect to how far contractual mechanisms can substitute for or reshape the underlying rights and protections accorded by trademark law.

Intellectual property transactions perforce involve contractual terms-licensing, franchising, co-branding, and assignments—that frequently carry arbitration clauses. Enforcing such clauses is, of course, legitimate and adds predictability and efficiency. The flip side, however, relates to whether arbitration would redefine the substantive rights imbued in those contracts and, by implication, affect market conduct and ownership determinations beyond the immediate dispute. *Mangayarkarasi* foregrounds this tension by suggesting a contractual primacy that, in practice, may affect the interpretation and scope of trademark rights.

The Court takes a traditional view of fraud, restricting equality of treatment to cases of gross or pervasive fraud, or to cases involving governmental agencies or other large-scale criminal enterprises. Forgery in a trademark assignment implicates basic issues of ownership and interdiction of unauthorized sales, and referring such issues to private arbitral tribunals involves the delegation of an important aspect of governmental power.

Comparative Glimpses and Global Context

A global overview confirms that India is not alone in confronting the interplay between intellectual property and arbitration. Although contract questions may be arbitrable, jurisdictions with civil-law traditions generally treat trademark disputes as unsuitable for arbitration. Public authorities retain ownership and regulatory oversight in matters affecting the market, and arbitral decisions typically cannot alter foundational IP rights. In Germany, private settlements are permissible for property-related disputes provided they do not modify essential IP rights or public records. France welcomes arbitration for contractual disagreements but reserves courts' jurisdiction over questions concerning trademark validity and public-interest considerations. In common-law jurisdictions such as the United States, intellectual property arbitration is recognized, yet courts retain ultimate authority over the validity of rights, preserving a delineation between private adjudication and public law. Thus, *Mangayarkarasi* represents a unique articulation of the position taken by India - relative tolerance for arbitration in the context of IP disputes, marked by an impetus toward speed and efficiency perhaps at the cost of safeguards under public law. What emerges is a pragmatic approach that makes use of arbitration as the means to reduce court congestion, but at the same time invites prudent reflection on the limits of arbitral authority within the context of intellectual property.

Conclusion

The *Mangayarkarasi* decision was a landmark development for Indian arbitration, consolidating its utility and signaling, to a certain extent, alignment with international practices. However, the decision also brings to the forefront, unresolved questions as to the public-law dimension of IP disputes. It also signals larger ramifications of arbitration for trademark governance and market integrity. *Mangayarkarasi* illustrates the trajectory of the expansion of arbitration but also signals conceptual and practical limits that may require continuing adjustment. The ultimate test will lie in how the courts balance arbitral determinations in trademark cases against the interests of non-consenting parties and also against the broader regime of public law.

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[1] *K. Mangayarkarasi & Anr. v. N.J. Sundaresan & Anr.*, 2025 INSC 687

[2] *Booz Allen and Hamilton Inc. v. SBI Home Finance Ltd.*, (2011) 5 SCC 532.

[3] *A. Ayyasamy v. A. Paramasivam*, (2016) 10 SCC 386.

[4] *Vidya Drolia v. Durga Trading Corporation*, (2021) 2 SCC 1.

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