



RFA NO. 7 OF 2016

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2026:KER:46835

IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT

THE HONOURABLE MR.JUSTICE MOHAMMED NIAS C.P.

TUESDAY, THE 30<sup>th</sup> DAY OF JUNE 2026 / 9TH ASHADHA, 1948

RFA NO. 7 OF 2016 (A)

AGAINST THE JUDGMENT & DECREE DATED 30.05.2015 IN OS  
NO.3 OF 2009 OF ADDITIONAL DISTRICT COURT II, KOZHIKODE

APPELLANT/DEFENDANT:

M.MANUEL, MALABAR FASHION JEWELLERY,  
SHOP NO.184, MOHAN SINGH MARKET,  
INA, NEW DELHI-23.

BY ADVS. SHRI.SHYAM PADMAN (SR.)  
SMT.BOBY M.SEKHAR  
SRI.JOHN THITHEEMOS  
SRI.A.RANJITH NARAYANAN  
SRI.S.K.SAJU  
SMT.LAYA MARY JOSEPH  
SMT.ASHWATHI SHYAM  
SMT.SWATHY SUDHIR

RESPONDENT/PLAINTIFF:

MALABAR GOLD PRIVATE LTD.  
17/1491-D, 3RD FLOOR, MALABAR GATE,  
RAM MOHAN ROAD, KOZHIKODE-673 004,  
REP. BY ITS MANAGING DIRECTOR, MR.AHAMMED M.P.

BY ADVS. SRI.CYRIAC TOM  
SHRI.M.JITESH MENON  
SHRI.M.P.SHAMEEM AHAMED

THIS REGULAR FIRST APPEAL HAVING BEEN FINALLY HEARD ON  
01.06.2026, THE COURT ON 30.06.2026 DELIVERED THE  
FOLLOWING:

**C.R****JUDGMENT**

The defendant is in appeal against the judgment and decree dated 30<sup>th</sup> May, 2015, in OS No. 3/2009 on the file of the Additional District Judge-II, Kozhikode, a suit alleging infringement of trademark and passing off action.

2. The suit was filed by the respondent/plaintiff for a permanent prohibitory and mandatory injunction alleging that the defendant/appellant had infringed the trade mark and copyright obtained by the plaintiff, and also passing off the goods of the respondent under the trade mark, deceptively similar to that of the respondent's trade mark.

3. The plaintiff in the suit alleged that they are the proprietors of the trade mark and name "Malabar Gold" with the logo for their goods like gold, platinum, silver, diamonds, etc., under class 14, schedule IV of the Trade Mark Rules. According to the plaintiff, they are engaged in the business of manufacturing and trading of



jewellery under the trade name Malabar Gold, and they have been using the said trade mark with logo ever since 1993, and the same has been registered with effect from 8.03.2012. They contend that their goods are of high quality and command a high reputation and goodwill in the market, and the goodwill is worth several crores of rupees, and they have actually been extensively and continuously applying their trademark in the course of trade.

3.1. The allegation put forth by the respondent/plaintiff is that the appellant/defendant has been dishonestly using the trade mark and trade name closely similar to that of the plaintiff's trade mark, and the same has been used with a dishonest intention of encashing the reputation and goodwill of the respondent. Appellant has been using the respondent's trade mark and trade name, knowing fully well that it constitutes infringement of the trade mark. The appellant is causing huge damage and intends to cause confusion and deception in the minds of the customers and to make the people believe that the goods of the appellant is that of the



respondent. The appellant has no statutory or contractual rights to use the trade name and mark of the respondent. The appellant has been using the said trade mark despite receipt of a desist notice, and hence the suit was filed.

4. The defendant filed a written statement contending that he started a proprietary concern under the name and style of “Malabar Fashion Jewellery” which is engaged in the business of wholesale and retail trading of gold jewellery, diamonds and other precious metals as included in Class 14 of the Schedule IV, Trade Mark Rules, 2002 in 1990, and is doing business in Delhi and the NCR region since 1990, and he has invested a huge amount of money in advertising the said trade mark and name. It is also contended that the defendant enjoys a wide reputation and goodwill for his products in the minds of the people and in the market due to the quality of the products and good customer service. It is also contended that the trade name “Malabar Fashion Jewellery” and logo are distinctive and have no resemblance to the plaintiff’s trade



mark, “Malabar Gold”. He also contends that the area of operation of the defendant is confined to in and around Delhi, and the area of operation of the respondent is confined to Kerala and the UAE; the domain of business interests is entirely different, and therefore, there is no occasion for business confrontation or competition.

4.1. According to the defendant, the term ‘Malabar’ is a geographical term used to denote the region of southern India lying between the Western Ghats and the Arabian Sea, and the use of the suffix ‘MALABAR’ is a widely used one in Kerala and places where Keralites are widely present and hence, the plaintiff cannot claim exclusive right on the said word. According to the defendant, the name, style and manner of his trade name and logo are independent and separate artistic works developed exclusively for his business, and the allegation that he has been causing infringement and passing off his goods as those of the plaintiff is baseless. It is also alleged that no legal proceedings were initiated immediately after the caution notice in 2006, and the right of the respondent has been



lost by acquiescence and waiver.

5. The Trial Court framed the following seven issues:

- (1) Whether the suit is maintainable?
- (2) Whether the plaintiff has acquired exclusive right over the trade mark and trade name MALABAR GOLD with logo?
- (3) Whether the defendant has been using a deceptively similar trade mark and trade name as that of the plaintiff?
- (4) Whether there is infringement of plaintiff's trade mark and trade name?
- (5) Whether the plaintiff is entitled for the prohibitory injunction prayed for?
- (6) Whether the plaintiff is entitled for mandatory injunction prayed for?
- (7) Reliefs and costs?

6. PWs 1 and 2 were examined on the side of the plaintiff, and



Exts.A1 to A20 and C1 series were marked. On the side of the defendant, DW1 was examined, and Exts.B1 to B25 were marked.

7. On Issue No.1 regarding maintainability, the trial court found that the suit was maintainable. The court held that it had territorial jurisdiction to entertain the suit since the plaintiff was carrying on business within its jurisdiction and the cause of action, at least in part, had arisen within its territorial limits.

7.1. The trial court further found that the plaintiff had acquired exclusive rights over the registered trade mark and trade name “MALABAR GOLD” with the logo by virtue of its valid registration under Class 14 and its long, continuous, and extensive use in the jewellery business. The court found that the defendant’s mark “MALABAR FASHION JEWELLERY” and logo were deceptively similar to the plaintiff’s mark in terms of name, design, colour scheme, and overall commercial impression, and were likely to confuse consumers. The defendant’s use of the impugned mark amounted to infringement of the plaintiff’s registered trade mark



and also constituted passing off, as the defendant had adopted a mark substantially similar to that of the plaintiff and was attempting to trade upon the goodwill and reputation acquired by the plaintiff.

7.2. Consequently, the trial court found that, having established infringement and passing off of the plaintiff's registered trade mark and trade name by the defendant, the plaintiff was entitled to the reliefs sought under Section 135 of the Trade Marks Act, 1999 and decreed the suit restraining the defendant by a permanent prohibitory injunction from using the offending mark "MALABAR FASHION JEWELLERY" or any deceptively similar mark. The court further granted a mandatory injunction directing the defendant to surrender all labels, brochures, advertisements, publicity materials and other items bearing the infringing mark for destruction or erasure.

8. The Appellant in the appeal memorandum alleges that the Trial Court, without properly appreciating their contentions and



the admissions and contradictions of PWs 1 and 2 and the unchallenged testimony of DW1, has passed a decree of permanent prohibitory and mandatory injunctions. It is averred that, as evidenced by Ext.A3 Certificate of Incorporation, the plaintiff, Malabar Gold Pvt. Limited was incorporated only on 19.06.2001. Ext.A7(c), the Certificate of Registration of Trade Mark issued under Section 23(2) of the Trade Marks Act read with Rule 62(1) of the Trade Marks Rules, shows that the trade mark was registered on 21.09.2005 with effect from 08.03.2002 in the name of Malabar Realtors (P) Limited, which is a distinct corporate entity and separate legal person from the plaintiff. No explanation is offered either in the plaint or evidence as to how these two separate legal entities are connected.

8.1. In the plaint it is mentioned that before registration of the Trademark in 2001, the plaintiff is using the trademark since 1993 without registration and during this period the plaintiff claims exclusive right over the trademark, and the same was registered in



the name of another company, Malabar Realtors (P) Limited indicating concurrent user by others as well, and that even prior to the creation/incorporation of the plaintiff company the said trademark was in vogue and use in the market from 1993. Plaintiff can only have those rights which their predecessor in interest, Malabar Realtors (P) Limited, had, and nothing more. There is absolutely no evidence that Malabar Realtors (P) Limited had anything to do with the numerous materials produced to prove prior use from 1993 onwards, or that Malabar Realtors (P) Limited ever used the said trade name or Trademark. If the plaintiff is asserting any independent right, then the same would militate against their contention of exclusivity and distinctiveness.

8.2. It is further averred that under Section 7, it is the international classification that is to be followed, and any dispute has to be settled by the Registrar of Trade Marks. Class 1 to 34 relates to goods, and Classes 35 to 45 relate to services. There are no Malabar Gold goods in the market. Only showrooms are there, and



admittedly, no goods are being manufactured or marked with the Trade mark 'Malabar Gold'. Exts.A8, A10 and A11 clearly reveal that it is only retail display and sale of different goods under the banner Malabar Gold, and hence it is not Class 14, but only Class 35 applies, and regarding which the plaintiff has only now applied for and not yet got the registration. The registration under Class 14 cannot be used to proceed against the defendant when the proper class applicable is only Class 35. Hence, Ext.A7 registration certificate cannot be held to be a valid registration certificate to proceed against the defendant for alleged infringement, when they are not doing any activity contemplated under Class 14, but only doing those activities covered by Class 35 alone for which the plaintiff has no registration. It is also averred that the report of the Advocate Commissioner cannot be relied on as the Advocate Commissioner has not been examined. The said aspects were not considered by the court below while rendering the impugned judgment. It is submitted that the judgment and decree of the court below are ex



facie inequitable, unjust, and the same was rendered on an erroneous appreciation of the facts and law involved in the matter.

9. Learned Senior Counsel for the appellant, Sri. Shyam Padman, instructed by Sri. Ram Mohan argues that, as the appellant is a registered trade mark holder, no decree could have been passed against the appellant. It is argued that, based on the provisions of the Trade Marks Act, only the Registrar had the power to determine the class for which the trade mark is given or any dispute therein, and in the instant case, by the impugned decree, the Civil Court had usurped the said power. It is also argued that in a case where both the plaintiff and the defendant were registered trade mark proprietors, no injunction could have been granted. There is a clear bar of jurisdiction to consider the matters considered by the trial court under Section 93, as those matters are entrusted to the statutory authorities and if there is a dispute on the validity of registration, Section 124 of the Trade Marks Act squarely applies. Under Section 124, where the validity of registration of a trade



mark is questioned, and rectification proceedings are pending, the civil court is mandatorily required to stay the suit insofar as the issue of infringement is concerned. The court below acted in clear violation of the statutory mandate under Section 124 by proceeding with the suit and rendering findings on infringement despite the pendency of rectification proceedings. Section 125 also mandates that rectification relating to the validity of registration, once raised in infringement proceedings, is to be decided only by the competent civil courts as provided under Section 93. On the above grounds, it is argued that the claim on the basis of trade mark infringement is unacceptable. As regards the passing off action, it is contended that there were no pleadings on either prior use or any independent evidence adduced and no claim was laid for damages. The trade mark registered in favour of the plaintiff itself had a limitation, and thus they could not have claimed exclusive use of the term “Malabar”.

9.1. It is argued that there was no pleading on any secondary



meaning to the trade mark registered by the plaintiff. The term “Malabar”, showing a geographical expression, could not have been claimed as exclusively belonging to the plaintiff. Learned Counsel drew attention to the fact that under the proviso to Section 9(1) of the Trade Marks Act, a geographical, descriptive, or otherwise non-distinctive expression becomes entitled to protection only upon proof that, prior to registration, it had acquired a distinctive character as a result of use. Similarly, Section 32 protects a registered mark only where it is established that the mark has, through proof and evidence of use, subsequently acquired distinctiveness before the commencement of legal proceedings.

9.2. In the present case, the respondent’s own registration is expressly subject to a limitation in respect of the word “Malabar”, which itself demonstrates that no exclusive rights, acquired distinctiveness or secondary meaning in that expression were recognised at the time of registration. Equally, there is neither any pleading nor any evidence that the word “MALABAR”, independent



of the composite mark “MALABAR GOLD”, subsequently acquired such distinctiveness as to attract the protection contemplated under Section 32. Under Section 28 of the Trade Marks Act, registration confers upon the registered proprietor the exclusive right to use the trade mark in relation to the goods/services for which the mark is registered, and the right to obtain relief in respect of infringement. Thus, Section 28 creates statutory rights in favour of every registered proprietor so long as the registration remains valid and subsisting. Further, Section 28(3) stipulates that when two identical or similar marks are registered, neither proprietor holds exclusive rights against the other and both possess equal rights to use their respective marks. Section 29 limits the definition of infringement strictly to individuals who are not registered proprietors or permitted users. Section 30(2)(e) acts as a statutory limit on infringement claims by explicitly protecting registered proprietors who exercise their lawfully granted rights.

9.3. It is argued that once concurrent registrations exist, the



remedy of infringement is substantially curtailed unless the competing registration is first removed from the Registrar in accordance with law, as held in ***Abros Sports International Pvt. Ltd. v. Ashish Bansal and Ors.*** [MANU/DE/3242/2025] and ***Patel Field Marshal Agencies and Another v. P.M. Diesels Limited and Others*** [(2018) 2 SCC 112]. According to the learned counsel, the only trade mark protected in favour of the plaintiff was the device mark, as evident from Ext.A7 and granted subject to the specific limitation on the word Malabar. No claim could have been made against the registration granted to the defendant. The entire cause of action in the plaint was based on the alleged infringement and not passing off, for which there is no basis. The claims were further based on the basis of Ext.A7, and the decree now granted is far beyond the relief sought. It is argued that the evidence of PW1 and PW2 was not appreciated properly. PW1 and PW2 admit that the defendant/appellant has been in the jewellery business since 2000 and that from the very inception itself, he has been using the



impugned trade mark, which is required for the kind of business conducted by the parties with a Class 35 registration.

9.4. It is also argued that both the plaintiff and defendant had changed their logo, and as such, there is no cause of action for trying the suit at the time of hearing or pronouncement of the judgment. The appellant is presently carrying on business under the trade name and logo “MANUVEL MALABAR”. The continuing dispute, therefore, essentially concerns the respondent’s attempt to secure exclusivity over the word “Malabar” itself. Learned Counsel submitted that there was undue delay in filing the suit, which is good enough to reject the claim. Learned Counsel also argues that the Trade Marks Act accords statutory recognition to the superior rights of a prior user under Section 34, even as against a registered proprietor in a passing off action. Therefore, the plaintiff seeking relief based on a passing-off action must first establish, by cogent pleadings and evidence, the origin of the goodwill relied upon, the period and continuity of use, the extent of reputation acquired, and



the ownership of such goodwill. It is only after establishing those foundational facts that a party can invoke the protection of Section 34 and claim rights as a prior user. In the absence of proof as to who first adopted the mark, when such adoption took place, how the goodwill was generated and how it came to vest in the plaintiff, neither a claim of passing off nor a claim based on prior user can be sustained in law.

9.5. It is also specifically argued that under Section 37 of the Trade Marks Act, only the registered proprietor is empowered to assign the trademark. Under Section 38, a registered trademark may be assigned with or without the goodwill of the business concerned. Where the trademark originally belonged to another entity and the present plaintiff claims rights through assignment or succession, it becomes incumbent upon the plaintiff to plead and prove the complete chain of title, the nature of the assignment, and the transfer of the associated goodwill. There is also no pleading identifying the date of first use by the respondent, the date of first



use by the alleged predecessor, the circumstances under which the business and goodwill were transferred or whether the goodwill accompanying the mark was ever assigned to the respondent. No independent evidence was adduced to establish actual deception, likelihood of deception, customer confusion, or misrepresentation in the market. No actual loss, diversion of customers, dilution of goodwill, erosion of reputation, or consumer confusion was proved by the respondent.

9.6. Learned counsel also alleged that the plaint does not contain the necessary particulars regarding the nature of the alleged deception, the manner of consumer confusion, diversion of customers, trade channel confusion, actual or probable damage to goodwill, or any specific instances of misrepresentation.

9.7. The learned counsel relied on the following judgments: ***Shoranur Metal Industries LLP v. Metal Industries Limited*** [2025 KHC Online 2114], ***Parakh Vanijya Private Limited V. Baroma Agro Products and Ors*** [MANU/SC/0722/2018], ***Sakthi Ceramics v.***



***Supreme Ceramics*** [MANU/KE/1481/2011], and ***S. Syed Mohideen v. P. Sulochana Bai*** [MANU/SC/0576/2015] to support his submissions.

10. Learned counsel for the respondent, Sri. Vidhya Shankar, instructed by Sri. M.P. Shameem Ahamed would argue on the basis of the pleaded case of the defendant, which was the manufacture and sale of jewellery and no plea at all as regards the validity of registration of the plaintiff under Class 14. According to the learned Counsel, the only defence in the written statement was about prior use, and that the mark of the plaintiff was not similar. The defendant has also, in its reply to the caution notice as well as in the written statement, admitted that it is carrying on business in goods falling under Class 14 and had, in fact, initially applied for registration under Class 14. There is no pleading by the defendant that its business is confined exclusively to services under Class 35 or that it is engaged in any business outside the scope of Class 14. There is also no plea on any statutory bar raised in the written statement, without which the trial court cannot be blamed for



proceeding with the adjudication or findings rendered. It is also argued that the registration obtained was pending the suit and was unsupported by any plea on that count. Since the registration granted to the defendant is not in the same class as that of the plaintiff, no objection can be raised by the defendant.

10.1. It is also argued that DW1 in cross had admitted that he is not carrying on any activity in advertising, business management, business administration and admits manufacturing its own jewellery and selling it in its stores and therefore Class 35 has no relevance to the defendant. Further, he also admitted that the defendant has abandoned its class 14 application pending suit and that he has no specific reason to adopt a similar-looking mark. The Commissioner Report also confirms extensive use of the impugned trade mark by the defendant in invoices, in the shop at the entrance, etc., prominently, and the defendant does not even dispute that it uses the mark which is visually similar to the plaintiff's trade mark. In view of the clear admission of the



manufacturing activity carried on by the plaintiff for which he did not have a valid registration, the decree granted is perfectly justified. Reliance is also placed on Exts.B9 series to show that even as in 2009 the income of the defendant only moved up to 9.63 lakhs, showing no real presence of substance in the market. The defendant had not established any meaningful commercial business even as on the date of institution of the suit, and the application for registration of the trade mark was itself filed only subsequent to the institution of the suit. Thus, there is a total lack of bonafides in the pleadings of the defendant, whose only idea is to take advantage of the name and trade mark of the plaintiff.

10.2. It is argued that even in Ext.B25, the defendant claimed user of the trade mark only from 28.06.2002. The earliest advertisements produced by the defendant are Exts.B6 to B8 pertaining only to the year 2005. The first income tax return, relating to the financial year 2004–2005, discloses a total income of only Rs.2.20 lakhs. The Sales Tax registration (Ext.B11) was obtained



only in 2014, while the BIS registration was secured only in 2006. It is further argued that Section 9(1)(b) merely prohibits the registration of marks which designate geographical origin. According to the respondent, the expression "Malabar" has no geographical significance in relation to jewellery, unlike expressions such as "Kanchipuram" for silk or "Scotch/Scottish" for whisky.

10.3. It is also argued that the marks are phonetically, visually and structurally similar and the Trial Court correctly applied the "likelihood of confusion" test, finding that a person of average intelligence would mistake the appellant's products for the respondent's. The word 'Malabar' has attained a secondary meaning in relation to jewellery, associated with the plaintiff. Learned Counsel argues that the composite mark having a geographical name has also been upheld and enforced in *Abu Dhabi Global Market v. Registrar of Trademarks, Delhi* [2023 SCC OnLine Del 2947], and the disclaimer does not strip vested rights is recognised



in *Registrar of Trade Marks v. Ashok Chandra Rakhit Limited* [AIR 1955 SC 558 = (1955) 1 SCC 655]. The respondent's mark is coined/distinctive and has acquired secondary meaning. It was held by the *Karnataka High Court in The Nilgiri Dairy Farm v. S.A. Rathnasabhapathy* [1975 SCC Online KAR], that the word 'Nilgiri' was a geographical name and 'Dairy Farm' was descriptive of the business, the name 'Nilgiri Dairy Farm' had become a trade name to the extent necessary to maintain an action of passing off and as the plaintiff has acquired a valuable reputation, the court would restrain the unauthorised use of that name and mark in a manner calculated to deceive the public and cause damage to the plaintiff.

10.4. Learned Counsel further argued that registration is irrelevant to grant relief of passing off and prior user is the only test as laid down in *S. Syed Mohideen* (supra), *Renaissance Hotel Holdings Inc. v. B. Vijaya Sai and Others* [(2022) SCC OnLine SC 61], and *Neon Laboratories Ltd vs Medical Technologies Ltd. & Ors* [2015 AIR SCW 6470]. The Counsel also argued that the plaintiff is a



leading player and a well known mark, with multiple retail stores in India and has been extensively using the trademark from 1994 which is evidenced by Ext.A8 invoices and the turnover as in 2008 itself was 613 crores and for the year 2016-17 it has touched Rs.8850 crores evidenced by additional documents in IA No. 368/2018. Moreover, advertisement expenses in 2008 was 11 crores and has crossed 19.51 crores for the financial year 2016-17 evidenced by additional document No.3 submitted in IA No. 368/2018. It is also contended that the plea on conduct, deceit, deception, confusion, prior user, and passing off are stated in the plaint and how the ingredients of passing off made out are pleaded exhaustively. The trademark, which was registered in the plaintiff's predecessor Malabar Realtors effective from 08.03.2002 vide reg. No. 426657 vide Application No. 1085816 claiming user from 19.06.2001 stood transferred to the plaintiff. Therefore, the plaintiff is entitled to all vested rights that the predecessor had even before the suit. PW1 and PW2 have also stated that 'Malabar Realtors' is the predecessor.



Section 31 established that a trade mark certificate is proof of name transfer and nothing more needs to be shown. It is further submitted that no case of non-use was pleaded nor any proceeding to strike off for non-use taken under Section 47, and on the contrary, PW1 in cross has explained that the trade mark is not given up by the respondents, and Exts.B1 and B2 talk only about the international market. Further, the trade mark has been renewed up to 2023, which itself is adequate evidence of user or intention to continue to use.

10.5. It is also submitted that the contention of delay is baseless, and a caution notice was already issued; therefore, there was no acquiescence. Delay in filing a suit is not a defence in equity when dishonest adoption and ongoing infringement are proved. As was held in *Express Bottlers Services Pvt. Limited v. Pepsico Inc* [(1991) 11 PTC 296 (Bom) (DB)], mere delay in taking action against the infringers is not sufficient to hold that the registered proprietor has lost the mark intentionally unless it is positively proved that



the delay was due to intentional abandonment of the right over the registered trade mark. It was also argued that the defendant did not set up any defence in terms of Section 30(2)(e) and under Section 124 did not invite any issue to be framed or a finding on prima facie tenability of his defence to be given by the Lower Court, and so the defence based on Class 35 registration has no legs to stand on. Therefore, according to the learned counsel, the finding of the trial court as regards the similarity of the trade mark cannot be doubted in any manner. It is based on the above facts that the court below decreed on the issue of trade mark and passing off.

10.6. The learned counsel also relied on the following judgments: *Geepee Ceval Proteins and Investment Pvt. Ltd. v. Saroj Oil Industry* [2003 SCC OnLine Del 534], *Hi-Tech Pipes Ltd. v. Asian Mills Pvt. Ltd.* [2006 SCC OnLine Del 21], *Laxmikant V. Patel v. Chetanbhai Shah and Another* [(2002) 3 SCC 65], *Pernod Ricard India Private Limited and Another v. Karanveer Singh Chhabra* [2025 SCC OnLine SC 1701], *S. Syed Mohideen v. P. Sulochana Bai* [(2016) 2 SCC



683], *Midas Hygiene Industries (P) Ltd. and Another v. Sudhir Bhatia and Others* [(2004) 3 SCC 90], *Ramdev Food Products (P) Ltd. v. Arvindbhai Rambhai Patel and Another* [(2006) 8 SCC 726], *Citizen Watch Company Limited. v. Dineshkumar Laxmanbhai Virda* [2024 SCC OnLine Del 4130], and *Patel Field Marshal Agencies and Another v. P.M. Diesels Limited and Others* [(2018) 2 SCC 112] in support of his submissions.

11. Heard the learned counsel on both sides, and perused the records.

12. The principal question that arises for consideration in this appeal is whether the Trial Court was justified in holding that the appellant had infringed the respondent's registered trade mark and had passed off his goods as those of the respondent, and consequently, whether the decree of permanent prohibitory injunction and mandatory injunction granted in favour of the respondent calls for interference.

13. In that context, the first issue that arises for consideration



is the effect of the parties holding independent registrations under different classes of the Trade Marks Act. Class 14 includes mainly precious metals, goods in precious metals and, in general, jewellery, clocks and watches. This class includes, in particular, jewellery (imitation jewellery and jewellery of precious metals and stones), cuff links and tie pins. Class 35 deals with advertising, business management, business administration and office functions. It includes services rendered by persons or organisations principally with the object of assisting in the working or management of a commercial undertaking or business affairs, and also the bringing together for the benefit of others of a variety of goods enabling customers to conveniently view and purchase those goods.

13.1. It is the specific case of the appellant that both parties are registered proprietors of their respective marks and, therefore, no action for infringement could have been maintained. Heavy reliance has been placed on Sections 28(3), 29 and 30(2)(e) of the Trade Marks Act, 1999 and the decision of the Hon'ble Supreme



Court in *S. Syed Mohideen* (supra). According to the appellant, the respondent holds registration under Class 14, whereas the appellant is the registered proprietor of a mark under Class 35 and, in the absence of any rectification proceedings resulting in cancellation of the appellant's registration, the Trial Court could not have granted relief on the ground of infringement.

13.2. At this juncture, it is imperative to determine the rights of a registered trade mark holder against another person who is also a registered proprietor. This question is elaborately discussed in *S. Syed Mohideen* (supra). The Hon'ble Supreme Court observed that Section 28 confers upon the registered proprietor: (i) the exclusive right to use the trade mark in relation to the goods or services for which it is registered; and (ii) the right to obtain relief in respect of infringement. Sub-section (3) of Section 28 contemplates a situation where two or more persons are registered proprietors of identical or nearly resembling marks. The Hon'ble Supreme Court held that, as between such registered proprietors,



neither acquires an exclusive right against the other and consequently, one registered proprietor cannot ordinarily maintain an action for infringement against another registered proprietor.

13.3. The Apex Court further examined the interplay between Section 28 and Section 27(2) and held that while infringement rights may not be enforceable between such registered proprietors, an action for passing off remains unaffected. The collective reading of the provisions makes it clear that rights founded on prior use, goodwill, misrepresentation and damage survive registration and continue to be enforceable in common law. Registration is merely a statutory recognition of rights which may already exist through use. Consequently, in a conflict between two registered proprietors, the question of superior common law rights remains relevant.

13.4. However, the decision in *S. Syed Mohideen* (supra) was not concerned with a situation where the rival registrations existed in different classes relating respectively to goods and services. The dispute in that case arose between parties claiming rights over the



mark "Iruttukadai Halwa" in relation to the same category of goods, namely halwa and allied edible products. The controversy before the Hon'ble Supreme Court was whether a registered proprietor could defeat the claim of a prior user and whether registration would prevail over superior common law rights acquired through prior use. The Court was therefore primarily concerned with the interplay between Sections 27(2), 28 and 34 of the Trade Marks Act and the preservation of passing off rights notwithstanding registration. The question whether Section 28(3) would operate where rival registrations are obtained in different classes, one relating to goods and the other to services, did not arise for consideration and consequently was neither examined nor decided therein.

13.5. Section 28(3) cannot be read in isolation and must be read together with Section 28(1), which grants exclusivity only in relation to the goods or services for which registration has been obtained. The registrations relating to "Goods" and "Services"



operate in separate streams and ordinarily have independent fields of operation. Section 28(3) bars an infringement action between two registered proprietors only when two conditions are simultaneously satisfied: first, the marks are identical or nearly resemble each other; and second, the registrations relate to the same goods or services. Where the rival registrations belong to different classes relating to goods and services, Section 28(3) would not automatically preclude an infringement action. If “X” holds registration of mark "M" in respect of goods "A" and “Y” holds registration of the same mark in respect of goods "B", each enjoys exclusivity only within the field for which registration has been granted. If “Y” uses the mark in relation to goods "A", “X” would still be entitled to maintain an action for infringement since Y's registration does not confer any right beyond the goods covered by its registration (See: *A. Kumar Milk Foods Pvt. Ltd. v. Vikas Tyagi & Anr* [2013 SCC OnLine Del 3439] and *Kutbuddin Kanorwala v. Zakir Hussain Kanorwala and Another* [2024 SCC OnLine Raj 1212]).



13.6. The appellant also relied upon the reference order passed by the Delhi High Court in ***Abros Sports International Pvt. Ltd. v. Ashish Bansal and Ors.*** (supra) to contend that an infringement action between registered proprietors is not maintainable. However, the said order was merely a reference order which, by its very nature, only refers a question for authoritative determination and cannot be treated as a precedent deciding the legal issue.

13.7. Given the above, the factual foundation necessary to invoke the protection under Section 28(3) is conspicuously absent. It is pertinent to note that the appellant has admitted in the written statement that it is carrying on business in gold jewellery and allied products. There is no pleaded case that its activities are confined exclusively to services falling under Class 35. DW1 in evidence admitted that the defendant initially applied for Class 14 under wrong advice and subsequently abandoned the same and obtained registration under Class 35 on 17.08.2008, but was not carrying on



any activity in advertising, business management, business administration and office functioning.

13.8. It is also seen that in the written statement and in Ext.A13 reply to the caution notice, the defendant admitted that it is doing business covered by goods mark Class 14, and there was no pleaded case of the defendant that it is engaged in business outside of Class 14. Defendant has not challenged the Class 14 registration of the plaintiff, and so in relation to said class of business, exclusivity of the trade mark of the plaintiff is protected under Section 28(1) r/w Section 29. Appellant is carrying on business activities outside the class 35, but which come under class 14. Such registration of a trademark in an irrelevant class cannot protect the gold jewellery business of the defendant.

13.9. In such circumstances, the reliance placed on *S. Syed Mohideen* (Supra) does not advance the appellant's case. The appellant cannot seek complete immunity from an infringement action merely on the strength of a registration under Class 35 while



simultaneously carrying on a jewellery business falling within the field occupied by the respondent's registered mark under Class 14. Since the rival registrations in the present case are under different classes, the statutory bar contained in Section 28(3) has no application. Resultantly, I hold that the protection under Section 28(3) is available only where concurrent registrations exist in respect of the goods or services in the same class.

14. It is also the specific case of the appellant that any dispute regarding the correctness of classification, the propriety of registration, the scope of specification, overlap between classes, or validity of the appellant's registration can be adjudicated only by the statutory authorities under the Trade Marks Act and not by a civil court in an infringement suit. Section 30(2)(e) acts as a statutory limit on infringement claims by explicitly protecting registered proprietors who exercise their lawfully granted rights, and once the validity of the appellant's registration became the subject matter of rectification proceedings, as stated under the Act,



Section 124 applies, thereby the civil court's jurisdiction is ousted, and the suit ought to have been stayed pending the determination.

14.1. This contention cannot be accepted because the defendant did not set up any defence in terms of Section 30(2)(e) and so, in terms of Section 124, did not even invite any issue to be framed or a finding on prima facie tenability of his defence to be given by the trial Court and therefore, the defence based on Class 35 has no legs. It is also held in *Patel Field Marshal Agencies* (supra) that in a situation where a suit is pending (whether instituted before or after the filing of a rectification application), the exercise of jurisdiction by the prescribed statutory authority is contingent on a finding of the civil court as regards the prima facie tenability of the plea of invalidity. Defendant has also not challenged the Class 14 registration of the plaintiff and, therefore, in relation to said class of business, the exclusivity of the plaintiff's trade mark stands protected under Section 28(1) r/w Section 29 of the Act.

14.2. Thus, I hold that the appellant is not entitled to invoke



either Section 30(2)(e) or Section 124 of the Trade Marks Act. In the absence of a specific plea questioning the validity of the respondent's registration, the framing of an issue thereon, or a prima facie finding by the Trial Court as contemplated under Section 124, the statutory mechanism for rectification was never set in motion. Consequently, no question of a stay of the suit or exclusion of the civil court's jurisdiction arose. The appellant having also failed to challenge the respondent's registration under Class 14, the respondent's statutory rights under Sections 28(1) and 29 remained fully enforceable.

15. Another specific contention urged by the appellant is that the action for passing off was not maintainable. According to the appellant, Ext.A1 resolution, the pleadings relating to a cause of action, and the reliance placed on Section 134(2) of the Trade Marks Act indicate that the suit was instituted essentially as an action for infringement. It is further contended that no specific issue regarding passing off was framed by the Trial Court and that the



admissions elicited from PW1 and PW2 also show that the plaintiff's case was founded primarily on infringement and passing off was only an afterthought once the plaintiff realised that their suit for infringement was unsustainable.

15.1. At this juncture, it is important to understand the ingredients of infringement of trademark and passing off before we further analyse the facts of this case. The action of passing off is based on the principle that a person may not sell his products under the pretext that they are the goods of another man. The three ingredients of passing off are goodwill, misrepresentation and damage. These three elements constitute what is commonly referred to as the classical trinity of passing off. An action for infringement, on the other hand, is founded on the statutory rights flowing from registration and ordinarily requires proof that the impugned mark is identical with or deceptively similar to the registered mark and is used in relation to the same or similar goods or services in a manner prohibited by the Trade Marks Act, 1999.



15.2. In Halsbury's Laws of England, Fourth Edition, Volume 48, at page 185 Note No. 297, the elements of a passing off action are enumerated as follows:

That the claimant's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

- (1) That there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the defendant are goods or services of the claimant; and
- (2) That the claimant has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation.

15.3. The distinction between infringement and passing off has been explained in **Pernod Ricard India Pvt. Ltd.** (supra). Section 2(h) of the Trade Marks Act defines a deceptively similar



mark as one which so nearly resembles another mark as to be likely to deceive or cause confusion. Section 2(zb) defines a trade mark as a mark capable of graphical representation and capable of distinguishing the goods or services of one person from those of others, and includes the shape of goods, their packaging and combination of colours. Passing off is a common law remedy intended to protect the goodwill and reputation acquired by a trader against misrepresentation by another. It is founded on the well-established principle that no person is entitled to represent his goods or business as that of another. The remedy is available irrespective of registration and is premised upon the protection of commercial goodwill generated through use. In contrast, infringement is a statutory remedy available to the proprietor of a registered trademark and is intended to safeguard the exclusive rights conferred by registration.

15.4. A significant distinction between the two actions lies in the nature of the proof required. In an action for infringement, the



plaintiff is not required to establish goodwill, reputation or prior use. Registration itself affords the statutory right to seek protection and, once the impugned mark is shown to be identical or deceptively similar to the registered mark in relation to the relevant goods or services, infringement may be established. In a passing off action, however, the plaintiff must independently prove the classical trinity of goodwill, misrepresentation and damage. While actual deception or actual damage need not be proved, there must be a likelihood of confusion arising from the defendant's conduct. Another distinction is that, in a passing off action, the defendant's goods need not be identical to those of the plaintiff. Even where the goods are allied or otherwise connected, the action would lie if the misrepresentation is likely to injure the plaintiff's goodwill or business reputation. In contrast, infringement ordinarily requires unauthorised use in relation to the goods or services for which statutory protection is claimed.

15.5. Further, in an infringement action, it is not necessary for



the plaintiff to establish actual use of the mark, and even a registered proprietor who has not commenced use may maintain an action based on statutory rights. In a passing off action, however, the plaintiff must establish prior and continuous use and show that the mark has acquired goodwill and distinctiveness in the minds of the purchasing public. Thus, while both remedies seek to prevent consumer confusion and unfair competition, infringement is a statutory remedy founded on registration, whereas passing off is a common law remedy founded on goodwill, reputation and prior user.

15.6. In *Pernod Ricard India Pvt. Ltd.* (supra), the Hon'ble Supreme Court elucidated the principal tests governing actions for trademark infringement and passing off while determining whether rival marks are deceptively similar. The principles identified are: (i) similarity and distinctiveness, (ii) the anti-dissection rule, (iii) the dominant feature test, (iv) absence of exclusivity over common, descriptive or geographical terms, and (v) the average consumer



test coupled with the doctrine of imperfect recollection. The first principle to be examined is similarity and distinctiveness. The Supreme Court has held that the likelihood of confusion is the cornerstone of both infringement and passing off actions. Whether a mark is likely to deceive or cause confusion is essentially a question of fact, requiring consideration of visual appearance, phonetic similarity, nature of goods, class of purchasers and surrounding circumstances. The comparison must be undertaken from the standpoint of an average consumer with imperfect recollection and on the basis of the overall commercial impression created by the rival marks rather than a meticulous side-by-side examination.

15.7. Distinctiveness constitutes the second limb. The strength of a trademark lies either in its inherent distinctiveness or in distinctiveness acquired through use. Invented or coined expressions are inherently distinctive. Descriptive, laudatory or geographical expressions, on the other hand, are ordinarily non-



distinctive and become protectable only upon proof that they have acquired a secondary meaning in the minds of the consuming public. In *The Nilgiri Dairy Farm v. S.A. Rathnasabhpathy* [Supra], the Karnataka High Court held that although "Nilgiri" was geographical and "Dairy Farm" descriptive, the composite expression had, through use and reputation, become distinctive enough to sustain an action for passing off. The Court further recognised that where a composite mark consists of several elements, including words, logos and colour combinations, the overall impression created by the mark assumes significance, and individual non-distinctive components cannot ordinarily be monopolised.

15.8. One of the principal contentions raised by the appellant is that the expression "Malabar" is a geographical term and that no evidence has been adduced to establish the acquisition of secondary meaning exclusively identifying the respondent. This contention merits acceptance. The law is well settled that geographical,



descriptive and laudatory expressions remain available for bona fide use by traders unless it is demonstrated that the expression has acquired a secondary meaning identifying a particular source. In ***Parakh Vanijya Private Limited*** (supra), the Hon'ble Supreme Court specifically held that registration of a composite mark containing the expression "MALABAR" does not confer an exclusive monopoly over the word "Malabar" itself and that the expression may legitimately be used by others as part of a distinct overall presentation. Similar principles have been reiterated in ***Shoranur Metal Industries LLP v. Metal Industries Limited*** [2025 KHC Online 2114]. In the present case, no consumer surveys, brand recognition studies or other cogent evidence have been produced to establish that the word "Malabar", by itself, has acquired secondary meaning exclusively identifying the respondent. Mere duration of use, turnover figures and advertising expenditure, though relevant for proving goodwill in the composite mark, are insufficient to confer exclusivity upon a geographical expression. The settled position is



that acquired distinctiveness must be proved through evidence demonstrating that the relevant public associates the impugned expression exclusively with a single trade source. (See: *T.V. Venugopal v. Ushodaya Enterprises Limited and Another* [(2011) 4 SCC 85], *Godfrey Philips India Ltd. v. Girnar Food & Beverages (P) Ltd* [(2004) 5 SCC 257] and *Marico Limited v. Agro Tech Foods Limited* [2010 SCC Online Del 3806].

15.9. In this case, it is also to be noted that there is neither any pleading nor any evidence that the word “Malabar”, independent of the composite mark “Malabar Gold”, subsequently acquired such distinctiveness as to attract the protection contemplated under Section 32. Moreover, on a perusal of Ext.A7, it is evidently clear that the registration is issued for Device Mark, ie, word mark, MALABAR GOLD (label). Ext.A7 is issued with a condition and limitation as registration of the trade mark shall give no right to the exclusive use of the word “MALABAR”. Mark as defined under Section 2(m) includes a device, brand, heading, label,



ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof. Limitation is also defined under the Act as any limitation of the exclusive right to the use of a trade mark given by the registration of a person as proprietor thereof, including limitations of that right as to mode or area of use within India or outside India. The fact that the registration itself was granted subject to a limitation in respect of the word "Malabar" demonstrates that, as on the date of registration, no finding of acquired distinctiveness or secondary meaning had been made in favour of the respondent. Consequently, I hold that the respondent cannot claim a monopoly over the word "Malabar" in isolation.

15.10. However, the absence of exclusivity over the word "Malabar" does not conclude the enquiry. A juxtaposition of Exts.A6, A7, B2, B3 read along with the Commission Report and visual comparison of the rival marks, discloses substantial similarities extending beyond the common use of the geographical



expression. The evidence indicates similarity in the manner of writing the mark, the visual emphasis accorded to the letters "M" and "R", the style and arrangement of the lettering, the colour scheme, the overall layout, the presentation of the logo and even the accompanying captions. The word Malabar is housed in a kinked square plank with a designer pull-out strutting out with the word GOLD in a bold manner. The resemblance is not confined to a single word but extends to the overall commercial presentation, design, style, and get-up. Viewed from the standpoint of an average consumer possessing imperfect recollection, the likelihood of confusion is evident. The appellant has also failed to provide any justification for adopting a mark identical to the respondent's mark, indicating a clear intention to trade on the goodwill of the respondent.

15.11. The anti-dissection rule reinforces this conclusion. The law requires that competing marks be compared as a whole and not by breaking them into isolated components. The Court is required



to undertake a holistic comparison taking into account visual, phonetic, structural and conceptual features. Therefore, deceptive similarity cannot be negated merely because one component of the mark, namely "Malabar", is geographical in nature. When the rival marks are viewed in their entirety, the overall impression created by them reveals substantial similarity. The evidence placed on record suggests not a mere coincidence, but a conscious adoption of several visual and structural features associated with the respondent's mark.

15.12. The dominant feature test is another important test to identify the similarity. The dominant feature of a mark is the element which is most memorable and likely to influence consumer perception. In the present case, it may be true that "Malabar" constitutes the dominant verbal element, since the expressions "Gold" and "Fashion Jewellery" are descriptive of the trade. Nevertheless, the respondent cannot claim exclusivity over the dominant word merely because it forms part of its composite mark.



As already noticed, "Malabar" is a geographical expression used across various industries and classes of business. The absence of evidence establishing exclusive secondary meaning prevents the respondent from asserting a monopoly over the said expression. Yet, the dominant feature test does not require the Court to ignore the remaining aspects of the mark. Even if exclusivity over the word "Malabar" is denied, the overall visual presentation, logo structure, lettering style and accompanying features remain relevant factors in assessing deceptive similarity. It is in this broader context that the similarities assume significance.

15.13. The average consumer test and the doctrine of imperfect recollection further support the above conclusion. Consumers do not retain trademarks with photographic precision. Courts are therefore required to evaluate the first impression likely to be created in the mind of an ordinary purchaser exercising average intelligence and imperfect memory. The foundational *Pianotist* test requires consideration of visual similarity, phonetic



similarity, nature of goods, class of purchasers and all surrounding circumstances. Applying that test, it is evident that both parties are engaged in the jewellery trade, cater to substantially the same class of consumers and employ marks bearing significant visual and structural resemblance. Though exclusivity cannot be granted over the word "Malabar", the overall similarity in presentation, combined with the similarity in the nature of business and customer base, creates a real likelihood of confusion. Therefore, on an overall assessment of the rival marks in the light of the above tests, I am satisfied that the respondent has established deceptive similarity between the competing marks. To that extent, the finding of the Trial Court that the appellant's mark is deceptively similar to the respondent's mark and is likely to cause confusion or association in the minds of consumers is affirmed, and calls for no interference.

16. Further, it is imperative to analyse whether the plea of passing off stands. As noticed above, an action for passing off is a



common law remedy, being an action in substance of deceit under the law of tort. The following five characteristics must be present to create a valid cause of action for passing off:

- (a) a misrepresentation,
- (b) Made by a trader in the course of trade
- (c) To prospective customers of his or ultimate customers of goods or services supplied by him,
- (d) Which is calculated to injure the business or goodwill of another trader in the sense that there is a reasonably foreseeable consequence, and
- (e) Which causes actual damage to a business or goodwill of the trader by whom the action is brought, or in a *quia timet action* (because he fears), will probably do so.

16.1. In ***Cadila Health Care Ltd v. Cadila Pharmaceuticals Ltd*** [(2001) 5 SCC 73 = 2001 SCC OnLine SC 578], it is held that in an action for passing off, based on an unregistered trade mark,



generally for deciding the question of deceptive similarity, the following factors are to be considered:

- (a) The nature of the marks, i.e, whether the marks are word marks or label marks or composite marks, i.e., both words and label works.
- (b) The degree of resemblance between the marks, phonetically similar and hence similar in idea.
- (c) The nature of the goods in respect of which they are used as trade marks.
- (d) The similarity in the nature, character and performance of the goods of the rival traders.
- (e) The class of purchasers who are likely to buy the goods bearing the marks they require, on their education and intelligence and a degree of care they are likely to exercise in purchasing and or using the goods.
- (f) The mode of purchasing the goods or placing orders for the goods, and



(g) Any other surrounding circumstances which may be relevant to the extent of dissimilarity between the competing marks.

16.2. The question, therefore, is whether the deceptive similarity between the two trade marks is, by itself, sufficient to sustain an action for passing off. The law is well settled that mere deceptive similarity is not enough. To succeed in a passing off action, the plaintiff must establish the classical trinity of passing off, namely goodwill, misrepresentation and damage. The essential foundation of a passing off action is the protection of goodwill and reputation against misrepresentation. It is therefore necessary for the plaintiff to establish that a distinct commercial reputation is attached to its goods or services and that such reputation is associated in the minds of the public with the trade mark relied upon. The acquisition of goodwill and reputation is always a question of fact. The test is whether the mark has become distinctive of the plaintiff's goods or business in the market. It must further be shown that, by the acts of the defendant, the plaintiff has



suffered damage or is likely to suffer damage. Though actual loss need not always be proved and damage may in appropriate cases be inferred, there must nevertheless be evidence to show that the mark has acquired recognition and reputation in the market and that the defendant's conduct is likely to affect such goodwill and reputation. Therefore, the question is whether the classical trinity is proved in this case.

16.3. Before seeing whether the goodwill, misrepresentation and damage are proved in the present case, it is imperative to see what evidence the court must look into to conclude that the elements of passing off are proved. It is *res integra* that the goodwill, misrepresentation and the damage have to be proved by the plaintiff if passing off of its product is alleged. In ***Brihan Karan Sugar Syndicate Private Limited v. Yashwantrao Mohite Krushna Sahakari Sakhar Karkhana*** [(2024) 2 SCC 577], the Hon'ble Supreme Court has held that the volume of sale and the extent of advertisement will be the relevant consideration for deciding



whether the appellant had acquired a reputation or goodwill. The Apex Court further observed that if goodwill or reputation in the relevant jurisdiction is not established, no further issue would require examination in a passing off action. The Court also emphasised that, at the stage of final adjudication, mere production of statements relating to sales figures, advertisement expenditure or promotional expenses is not sufficient. Such documents must be proved in the manner known to law. In that case, as the Chartered Accountant who certified the statements was not examined and the contents of the statements were not duly proved, the Court held that the plaintiff had failed to establish goodwill and consequently declined to sustain the decree for passing off notwithstanding the alleged deceptive similarity of the rival marks.

16.4. Coming to the facts of the present case, the plaintiff examined two witnesses to prove the goodwill, namely PW1 and PW2. PW1 is the Assistant Manager and authorised officer of the plaintiff company, and PW2 is an employee of the plaintiff



company. Before the Trial Court, the plaintiff relied principally on their oral testimony and Exts.A10 and A11 series, which consist only of publicity materials, brochures and promotional booklets. Significantly, the sales figures and advertisement expenditure, which, according to the plaintiff, evidenced its commercial reputation, were not produced before the Trial Court and consequently were never proved in accordance with law. Those documents were produced only subsequently before this Court as additional evidence in I.A. No.368 of 2018 in RFA No.7 of 2016. Therefore, while adjudicating the suit, the Trial Court had before it only the evidence of PW1 and PW2 together with the plaintiff's own promotional materials. No independent witness, such as a customer, dealer, Chartered Accountant or any person connected with the trade, was examined to establish the plaintiff's goodwill and reputation. Thus, unlike the evidence contemplated in ***Brihan Karan Sugar Syndicate Private Limited*** (supra), the Trial Court recorded its finding on goodwill without the benefit of proved



evidence relating to sales, advertisement expenditure, and solely on the basis of interested witnesses and the plaintiff's own publicity materials. Moreover, goodwill and reputation being questions of fact, they must be established by cogent and independent evidence. In the present case, the plaintiff has failed to adduce such independent evidence.

16.5. Another significant aspect that requires consideration is the doctrine of prior user, which occupies a central position in the law of passing off and constitutes one of the principal contentions advanced by the appellant. The law on the subject is no longer *res integra*. The Hon'ble Supreme Court in **S. Syed Mohideen** (supra) has categorically held that the scheme of the Trade Marks Act, 1999, recognises the rights of a prior user as superior to those flowing merely from registration. The Court held that the collective reading of the provisions of the Act clearly demonstrates that the rights of a prior user remain unaffected by registration granted in favour of another and that even a registered proprietor cannot interfere with



or disturb the rights acquired by a prior user through continuous use and goodwill generated in the market. The Act accords statutory recognition to the superior rights of a prior user under Section 34, even as against a registered proprietor in a passing off action.

*“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.”*

16.6. A party seeking relief based on a passing-off action, therefore, must establish the prior use and continuity of use. The rationale behind the doctrine is simple. The use of a mark in the course of trade generates goodwill and reputation. It is such use and not merely registration which confers enforceable rights in common law. Consequently, the latter user of a mark cannot misrepresent his business as that of the earlier user and thereby appropriate the goodwill generated by the prior user. It is for this reason that the law accords superiority to prior user rights over statutory rights flowing from registration. The specific contention of the appellant in this regard is that the predecessor-in-interest of the plaintiff, namely Malabar Realtors, has not established prior use and that there is no satisfactory evidence to show that the plaintiff or its predecessor was the first user of the mark in question. According to the appellant, mere registration in favour of Malabar



Realtors would not by itself establish prior user rights.

16.7. The respondent, however, has produced substantial material to establish prior use. The evidence on record would show that the trademark stood registered in the name of the plaintiff's predecessor, Malabar Realtors, effective from 08.03.2002 under Registration No. 426657 and Application No. 1085816, claiming user from 19.06.2001. It is further evidenced that the said trademark subsequently stood transferred in favour of the plaintiff, and the transfer has been duly recognised by the Registrar of Trade Marks. The respondent therefore contends that all rights vested in the predecessor-in-interest have lawfully devolved upon the plaintiff. Further, by virtue of Section 31(1) of the Trade Marks Act, 1999, the original registration as well as all subsequent assignments and transmissions constitute prima facie evidence of their validity. Consequently, the certificate recording the assignment is itself prima facie evidence that the plaintiff has lawfully succeeded to all the rights, title and interest of its predecessor-in-title in the



registered trade mark, unless the same is displaced in accordance with law.

16.8. Significantly, the validity of the assignment recorded by the Registrar has not been specifically challenged by the defendant in the present proceedings. In the absence of any challenge, the statutory presumption under Section 31, continues to operate in favour of the plaintiff. Apart from the registration records, the respondent has also produced evidence of actual use. Evidence shows that the inauguration of the first shop was in 1993, and Ext.A8 series consists of invoices and business records evidencing continuous commercial use of the mark from 1994 onwards. The evidence further discloses expansion of business through multiple retail outlets across India and extensive commercial use of the mark over a long period of time.

16.9. On the other hand, though the appellant contends that they have been using the mark since the year 1990, no reliable documentary evidence has been produced to substantiate such a



claim. No contemporaneous invoices, advertisements, account books, sales records, tax records or other business documents have been produced to establish continuous use from 1990 onwards. The plea of prior use, therefore, remains a mere assertion unsupported by satisfactory evidence. It is well settled that prior user is a question of fact which must be established through cogent evidence. Mere pleadings or oral assertions cannot displace documentary evidence demonstrating actual commercial use. In the present case, while the respondent has produced documentary materials tracing the use of the mark from the year 1993 and registration records recognising such use, the appellant has failed to place corresponding evidence to substantiate their alleged use from 1990.

16.10. In such circumstances, the Trial Court was justified in holding that the respondent had successfully established prior user. The Trial Court, upon appreciation of Ext.A7, Ext.A8 series, the registration records and the oral evidence of PW1 and PW2, found



that the plaintiff and its predecessor had been continuously using the mark much prior to the appellant.

16.11. Though the respondent has succeeded in establishing prior user and the deceptive similarity between the rival marks, those findings by themselves are insufficient to sustain a decree for passing off. The essential ingredients of passing off, namely goodwill, misrepresentation and damage, are all questions of fact requiring cogent proof. The evidence relied upon by the Trial Court consists principally of the testimony of PW1 and PW2, who are employees of the respondent, together with turnover figures, advertisement expenditure and documentary records of business. While such evidence may establish prior user and extensive commercial use of the mark, it does not, in the absence of independent evidence, conclusively establish the remaining essential ingredients of passing off. In particular, there is no independent evidence establishing misrepresentation leading the purchasing public to believe that the appellant's goods or business



are those of the respondent. Though actual damage need not always be proved and a likelihood of damage may suffice, such inference can arise only upon satisfactory proof of the other essential ingredients of passing off. Consequently, the finding of the Trial Court that the respondent established a case of passing off cannot be sustained, and I set aside the said finding on the aforementioned reason.

17. The next contention is regarding the change in logos by each party during the pendency of the suit. It is true that both parties have altered their logos and that "Malabar Fashion Jewellery" is now being conducted under the name "Manuvel Malabar". However, such subsequent changes effected during the pendency of the litigation do not render the suit or appeal infructuous. The rights of the parties are to be adjudicated with reference to the cause of action pleaded and the alleged acts of infringement and passing off complained of. The mere addition of the word "Manuvel" or alteration of the logo cannot erase the



earlier cause of action nor defeat the plaintiff's claim. At best, such subsequent developments may be relevant while moulding the relief, but they do not affect the adjudication of the issues arising in the case.

18. The Trial Court also considered the question of maintainability and found that it possessed territorial jurisdiction to entertain the suit and that a composite action for infringement and passing off arising out of the same transaction was maintainable. The records disclose that the respondent was carrying on business within the jurisdiction of the trial Court and part of the cause of action had arisen therein, thereby attracting Section 134(2) of the Trade Marks Act in respect of infringement and Section 20 CPC in respect of passing off. It is also relevant that though an attempt was made by the defendant to raise a plea regarding territorial jurisdiction through I.A. No.732/2013 after the completion of evidence, the said application was dismissed by the Trial Court, and the challenge against the same in O.P.(C)



No.2661/2013 was also unsuccessful. The conclusion of the Trial Court that the suit was maintainable both on the ground of territorial jurisdiction and on the ground that the combined claims for infringement and passing off could be entertained in a single proceeding is in accordance with law. I find no reason to interfere with the said finding and accordingly affirm the finding of the Trial Court on Issue No.1.

19. Another contention raised by the appellant relates to acquiescence and delay. Mere delay in instituting proceedings does not, by itself, constitute a defence where dishonest adoption and continuing infringement are established. In *Express Bottlers Services Pvt. Ltd.* (supra), it was held that mere delay in taking action against an infringer is insufficient to conclude that the proprietor has abandoned or relinquished its rights unless such delay is accompanied by a conscious and intentional abandonment thereof. Acquiescence requires something more than mere inaction; it must be shown that the proprietor knowingly encouraged,



assented to or permitted the defendant's use of the mark and thereby induced the defendant to alter its position. In the present case, no material has been placed on record to establish any conscious waiver, consent or intentional abandonment of rights by the respondent. The case pleaded throughout is one of continuing infringement; therefore, mere passage of time cannot legalise an otherwise unlawful use of a deceptively similar mark. The Trial Court, on an appreciation of the evidence, found that the plea of acquiescence was not substantiated and that there was no evidence to show that the respondent had knowingly permitted or encouraged the appellant to continue the use of the impugned mark. The finding that delay in the absence of proof of intentional abandonment of rights cannot defeat the respondent's claim for protection of its trademark. I find no reason to interfere with the said finding, and the same is accordingly affirmed.

20. In the result, while affirming the findings of the Trial Court regarding the deceptive similarity between the rival marks,



the prior user status of the plaintiff and the consequent entitlement to protection and infringement, the decree requires modification to a limited extent.

21. As already found, the term "MALABAR" is a geographical expression, and no exclusive proprietary right can be claimed over the said word in isolation. The registration obtained by the plaintiff does not confer monopoly over the word "MALABAR" per se, and the evidence on record is insufficient to hold that exclusivity has been established over the geographical expression standing alone. However, the plaintiff is entitled to protection in respect of its registered and established trademark as used under Ext.A7. The appellant cannot use any mark, label, get-up, style of writing, logo, colour combination, caption or overall commercial presentation which is identical with or deceptively similar to the plaintiff's trademark and business identity as evidenced by Ext.A7, so as to cause confusion and deception amongst the purchasing public.



22. Accordingly, the decree and injunction granted by the Trial Court shall stand modified to the extent that the appellant is restrained from using any mark, label, logo, artistic work, trade dress or commercial presentation deceptively similar to the plaintiff's trademark and business identity granted under Ext.A7, or from carrying on business in a manner likely to lead consumers to believe that the appellant's business, goods or services are associated with, connected with, sponsored by or emanate from the plaintiff.

The judgment and decree of the Trial Court will stand modified to the above extent, and the appeal is allowed in part.

Sd/-

**MOHAMMED NIAS C.P.  
JUDGE**

DMR/-

Judgment reserved	01/06/26
Date of Judgment	30/06/26
Judgment dictated	01/06/26
Draft judgment placed	02/06/26
Final judgment uploaded	30/06/26



**RESPONDENT'S EXHIBITS:**

EXHIBIT A21 : CERTIFIED TRUE COPY DATED 03.01.2018  
PERTAINING TO THE ENTRY IN THE REGISTER OF  
TRADEMARKS WITH RESPECT TO TRADEMARK No.  
1085816 IN CLASS 14 SHOWING THE RENEWAL UPTO  
08.03.2022.

EXHIBIT A22 : CERTIFIED COPY DATED 23.01.2018 OF THE ENTRY  
IN REGISTER OF TRADEMARK RELATING TO  
TRADEMARK APPLICATION NUMBER 1388669 IN  
CLASS 14.

EXHIBIT A23 : TRUE COPY OF THE AUDITED BALANCE SHEETS AND  
PROFIT AND LOSS ACCOUNT FOR THE YEARS  
2014-15, 2015-16, 2016-17.