* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

% Judgment reserved on*: 28.04.2026*
Judgment delivered on*: 28.07.2026*
Judgment uploaded on*: As per Digital Signature~*

\+ **LPA 316/2026 & CM APPL. 27819-20/2026**

PARLE PRODUCTS PVT LTD .....Appellant
versus
THE REGISTRAR OF TRADE MARKS & ANR. .....Respondents

Advocates who appeared in this case

For the Appellant : Mr. J Sai Deepak, Senior Advocate along with Mr. Bikash Ghorai, Mr. Neeraj Bhardwaj, Mr. Salil Oberoi, Ms. Krati Fagna and Ms. Purnima, Advocates.

For the Respondent : Mr. Gaurav Barathi SPC with Mr. Chirantan Priyadarshan, Advocate for R1.
Mr. Ajay Sahni, Mr. Chirag Ahluwalia and Mr. Mohit Maru, Advocates for the R2.

CORAM:
HON'BLE MR. JUSTICE V. KAMESWAR RAO
HON'BLE MS. JUSTICE MANMEET PRITAM SINGH ARORA

JUDGMENT

V. KAMESWAR RAO, J.

1. This appeal has been filed with the following prayers:

"a. Set aside the impugned judgment and order passed by the Ld. Single Judge of the Hon'ble High Court of Delhi in C.A.(COMM.IPD-TM)49/2025;
b. Allow the present appeal and consequently quash and set

aside the order passed by the Registrar of Trade Marks, being illegal, perverse and non speaking;
c. pass such other and further orders as this Hon'ble Court may deem fit in the facts and circumstances of the present case and in the interests of justice."

FACTUAL BACKGROUND

2. In essence, the facts surrounding the present controversy are that the appellant has filed this appeal laying a challenge to the order dated 10.03.2026 (impugned order) passed by the learned Single Judge in C.A. (COMM.IPD-TM) 49/2025 and IA No. 19990/2025. The appeal before the learned Single Judge was in respect of an order dated 29.04.2025, (impugned order) which was passed by the respondent no.1/Registrar of Trade Marks, New Delhi (Registrar) dismissing the opposition no.1075195 filed by the appellant against the respondent no.2 herein in Application No.1606/2026 dated 27.09.2007 for registration of the Trademark '20-20' in Class 30. The appellant challenged respondent no.1's order dated 29.04.2025 in C.A.(COMM.IPD-TM) No.49/2025, which has been dismissed by learned Single Judge vide order dated 10.03.2026. Hence, this appeal is assailing the said order of the learned Single Judge, which dismissed the appeal of the appellant.

CONTENTIONS OF THE APPELLANT

3. Mr. J. Sai Deepak, learned Senior Counsel for the appellant stated that the appellant Company, Parle Products Pvt. Ltd., is engaged in the business of manufacturing and marketing, *inter alia*, biscuits, cookies, confectionery, snack foods, bakery products, chips, wafers, potato flakes, namkeen, cereal preparations, atta (flour), toffees, candies, chocolates, cakes, pastries, sweets

and savory products, etc., and has been carrying on its said business under the trade name Parle Products Pvt. Ltd. for several years.

4. The appellant's case is that it is the registered proprietor and the original & honest adopter of the trade marks '20-20', "TWENTY-20" and "T20" to its aforesaid goods and business. The registered marks of the appellant under the provisions of the Trade Marks Act 1999, (hereinafter 'the Act') are as follows:

S. No.	Application No.	Trade Mark	Date of Application	Status
1.	1608181	T20	04.10.2007	Registered
2.	1608182	TWENTY-20	04.10.2007	Registered
3.	1608183	20-20	04.10.2007	Registered

5. It is his submission that at the time of adoption of the mark(s), the appellant had conducted a thorough preliminary search and had not found any conflicting mark in the records of the Trade Mark Registry. Consequently, the appellant decided to adopt the '20-20' trade mark and applied for the same on 04.10.2007.

6. It is the appellant's case that it has continuously and honestly used the mark '20-20' in class 30 goods since 2007-2008, and is thereby entitled to the exclusive rights, goodwill and reputation. The appellant's brand is a leading and widely recognized trade mark among the consumers and has exclusively been associated with the appellant in the eyes of the public and in trade and therefore, has acquired secondary meaning. The mark adopted by the appellant is inherently distinctive. This can be evidenced by the

appellant's invoices of the year 2009 with respect to the said trade mark. Therefore, the said marks qualify to be declared as well known trade marks under the ambit of Section 2(1) (zg) of the Act.

7. It is also the appellant's case that it has extensively advertised and promoted its trade marks across various media, incurring substantial expenditure, thereby strengthening and sustaining the solid goodwill and enduring reputation associated with the said trade marks.

8. It is his submission that the respondent no.2 herein, had on 27.09.2007 filed a trade mark application no. 1606126 to apply for the registration of trade mark '20-20' in class 30, on a 'proposed to be used' basis in respect of its goods. This application was advertised in the trade marks journal no. 1960 dated 10.08.2020. Pursuant thereto, the appellant filed a notice of opposition, based on the respondent's application, on 25.11.2020. To this notice, the respondent no.2 filed its counter statement on 01.02.2021. This was followed by the appellant filing his evidence in support of this opposition on 16.11.2022, further followed by the respondent no.2's evidence on 09.01.2023. Hence, upon the pleadings being complete, the matter was listed for final hearing on 17.04.2025 before the Registrar. On the said date, the parties were directed to file their written submissions. The Registrar passed the impugned order dated 29.04.2025 whereby it dismissed the opposition of the appellant and allowed the respondent no.2's application to proceed for registration of their mark.

9. It is his submission that the Registrar issued the registration certificate bearing registration no.3855723 to the respondent no.2 herein on the same

day, without waiting for the expiry of the appeal period prescribed under Section 91 of the Act. Challenging this order dated 29.04.2025, the appellant preferred an appeal before the learned Single Judge of this Court *inter alia* seeking rectification/cancellation of the said registration of the respondent no.2, which was wrongly dismissed by the learned Single Judge vide impugned order dated 10.03.2026.

10. It is his case that the judgment is gravely erroneous and disregards the settled principles of trade mark law. The priority in law is determined by "first use in the market" as the rights in a trade mark emanate from the actual commercial use of the mark and the goodwill generated by it and not by merely applying for its registration on a 'proposed to be used basis'. The learned Single Judge has wrongly given determinative value to the respondent no.2's earlier filing date and completely ignored that it was the appellant in fact, who had introduced goods bearing the mark '20-20' in the market and has continuously and extensively used the same.

11. It is his submission that the "first in the market" test supposes that even a prior applicant/registrant cannot defeat the rights of a party that has used the mark earlier and has built its substantial goodwill based on the earlier presence in the market. The rights of prior use prevail over the priority of registration. Hence, the learned Single Judge could not have decided the case in favour of the respondent no.2 by nullifying the Doctrine of prior use, by allowing registration of a dormant trade mark that has admittedly never been used in commerce, over a trade mark that has been extensively promoted and sold goods and has a continuous goodwill generated in the business. As per Section 34 of the Act, due protection is

accorded to the prior user of a trade mark. This provision safeguards the rights of a person who has continuously used a trade mark prior to the use/registration of a competing trade mark and prohibits a registered proprietor from interfering with such prior use of the other's trade mark. The appellant's case squarely falls within the protective ambit of Section 34 of the Act, having built substantial goodwill and reputation.

12. According to him, the impugned judgment is erroneous inasmuch as there is a fragmented interpretation of various provisions of the Act. Section 18 of the Act has been treated in isolation instead of harmoniously interpreting the same with Sections 11 and 34 of the Act to give effect to the legislative intent. Section 18 cannot be construed to confer absolute priority on the date of application, particularly when such interpretation would defeat the rights of a prior user protected under Section 34 and also prohibition contained in Section 11(3)(a) against registration of marks. Registration rights are not absolute but are subject to other provisions of the Act including Section 34. Hence, the failure to adopt such a harmonious interpretation constitutes a manifest error of law, warranting interference by this Court.

13. It is stated that the registration of the respondent no.2's trade mark is *ex facie* barred under Section 11(3)(a) of the Act, which prohibits the registration of a trade mark, which is liable to be prevented by the law of passing off. The provision mandates that any subsequent use of an identical/deceptively similar trade mark over the prior use of a trade mark which has acquired goodwill/reputation, which is likely to cause confusion or misrepresentation must be refused registration. The rights in a passing off

action are superior to the statutory rights conferred by registration. In light of the extensive use of the appellant's trade mark, any use by the respondent no.2 of the same trade mark would inevitably result in deception and passing off. All the above stated provisions and principles directly bar the respondent no.2's trade mark to subsist and hence the respondent no.2 must be restrained in a passing off action at the instance of the appellant herein. Without any actual use in the course of trade, the respondent no.2's use of the trade mark in the market will cause confusion and misrepresentation inevitably.

14. He heavily relied on the judgment of the Supreme Court in the case of ***Neon Laboratories Ltd. v. Medical Technologies Ltd., (2016) 2 SCC 672***. In this case, the Supreme Court has discussed the first user rule under Section 34 and held that rights in a passing off action emanate from common law and are superior to rights conferred by registration. Hence, even a registered proprietor cannot be allowed to harm the established goodwill of a trademark in prior use. According to him, the interpretation adopted by the learned Single Judge defeats the legislative intent underlying Section 34, which is to protect the commercial reality and consumer association built through actual use. If mere filing of an application on a 'proposed to be used' basis, without any *bona fide* use were to override the rights of a prior user, it would encourage trade mark squatting and override the rights provided to a prior user. The learned Single Judge, by failing to apply these principles decided the issue in favour of the respondent no.2 which is affecting the business of the appellant and diluting its reputation. The relevant paragraphs of the judgment in ***Neon Laboratories Ltd. (supra)***

read as under:

> *"11 . .... What has actually transpired is that after applying for registration of its trade mark Rofol in 1992, the appellant/ defendant took no steps whatsoever in placing its product in the market till 2004. It also was legally lethargic in not seeking a curial restraint against the respondent-plaintiffs. This reluctance to protect its mark could well be interpreted as an indication that the appellant-defendant had abandoned its mark at some point during the twelve-year interregnum between its application and the commencement of its user, and that in 2004 it sought to exercise its rights afresh. It would not be unfair or fanciful to favour the view that the appellant/defendant's delayed user was to exploit the niche already created and built-up by the respondent-plaintiffs for themselves in the market. The "first in the market" test has always enjoyed pre-eminence. We shall not burden this judgment by referring to the several precedents that can be found apposite to the subject. In the interest of prolixity we may mention only NR. Dongre* v. *Whirlpool Corpn. [N.R. Dongre* v. *Whirlpool Corpn., (1996) 5 SCC 714] and Mi/met Ojtho industries v. Allergan Inc. [Mi/met Oftho Industries* v. *Allergan Inc., (2004) 12 SCC 624]. In Whirlpool, the Worldwide prior user was given preference nay predominance over the registered trade mark in India of the defendant. In Mi/met, the marks of pharmaceutical preparation were similar but the prior user worldwide had not registered its mark in India whereas its adversary had done so. This Court approved the grant of an injunction in favour of the prior user. Additionally, in the recent decision in* S. *Syed Mohiden* v. *P. Sulochana Bai [S. Syed Mohiden v. P. Sulochana Bai, (2016) 2 SCC 683 : (2015) 7 Scale 136] this Court has pithily underscored that the rights in a passing-off action emanate from common law and not from statutory provisions, nevertheless the prior user's rights will override those of a subsequent user even though it had been accorded registration of its trade mark. "*

15. It is the case of Mr Sai Deepak that the learned Single Judge has erroneously distinguished the binding precedent of ***Neon Laboratories (supra)*** in the impugned judgment, which proceeds on the premise that ***Neon Laboratories (supra)*** is confined to cases of passing off and therefore inapplicable to the present dispute concerning registration and cancellation. This approach is fundamentally flawed, as the ratio of ***Neon Laboratories (supra)*** is not limited to the form of action, but is rooted in the interpretation of statutory provisions, particularly Section 34 of the Act, and the overarching principle that priority of use prevails over priority of registration. The Supreme Court unequivocally held that the "first in the market" test enjoys primacy and that registration cannot defeat the rights of a prior user who has established goodwill through actual use. On the other hand, the distinction drawn by the learned Single Judge ignored the fact that the said decision is of general application and must guide adjudication of all disputes and must not be confined merely to injunction proceedings. The decision could not have been distinguished/disregarded merely on the factual differences. The attempt to differentiate the present case from the judgment in ***Neon Laboratories (supra)*** on the premise that the respondent no.2 had not used the trade mark because the trade mark registration application was pending, is wholly misplaced/misconceived. In fact, the ratio of the judgment is grounded in the fact that prior users are entitled to protection against the registered proprietors and the same is fully applicable to the present case.

16. Additionally, it is also his case that in the impugned judgment, the learned Single Judge has heavily relied upon the decision in the case of

Mohan Goldwater Breweries Pvt. Ltd. v. Khoday Distilleries Pvt. Ltd., 1977 IPLR 83, and similar cases following the ratio in ***Mohan Goldwater (supra)*** such as ***Enterprises Pvt. Ltd. v. Jay Kay Coir Foam Pvt. Ltd. & Ors., 2024:DHC:7655,*** and ***Reckitt and Colman Overseas Health Limited v. Ind Swift Limited and Another, 2025:DHC:11867*** without appreciating that the legal position laid down by this case has been effectively reconsidered and distinguished in the case of ***Neon Laboratories (supra)*** wherein it is held that rights of a prior user would prevail over that of a registered proprietor and considerations of public interest and likelihood of confusion must be accorded paramount importance. In fact, the appellant in the present case stands on a better footing than in the case of ***Neon Laboratories (supra)*** inasmuch as the appellant is the prior user of the trade mark in question and the respondent no.2 is only claiming rights as a prior applicant of the said trade mark. Further, the trade mark '20-20' identifies only with the appellant's goods in the market. Hence, in light of the same, the impugned order must be set aside and the registration obtained by the respondent no.2 must be cancelled.

17. Additionally, it is his case that in the impugned judgment, it has been incorrectly observed that the appellant's stand in the examination report suggested approbation and reprobation. The reply of the appellant to the examination report was not confined to the respondent no.2 alone but it was a standard format response to address the multiple cited trade marks in the examination report.

18. Another ground of challenge of the appellant is that the impugned order dated 29.04.2025 passed by the Registrar which is the foundation of

the impugned judgment is perverse and non-speaking. A bare perusal of the same would reveal that the entire reasoning given by the Registrar is confined to a mechanical observation that the respondent no.2 is the prior adopter and prior applicant of the trade mark in question. Nowhere has it been considered that the appellant is the prior and continuous user of the said trade mark with an established market presence and reputation. There is no discussion on these aspects which renders the order arbitrary and violative of settled legal principles. He stated the learned Single Judge could not have sanctified the order dated 29.04.2025 by sustaining or modifying it. The defects of the order could not have been cured by partial affirmation. Once it was demonstrated that the Registrar has failed to consider the relevant material and legal principles, the only course available was to quash the order in its entirety.

19. He has also relied upon Kerly's Law of Trade Marks and Trade Names, in the following classic statement of the law, called an "impasse". The same reads as under:

> *"Concurrent right ... The statutory right of use given by registration of a mark does not provide a defence to proceedings for passing off by the use of the mark; although it is normally expedient for the claimant in such cases to apply to revoke the registration. Where a party applies to register a mark but does not immediately use it, and another party uses the mark and generates sufficient goodwill to support a passing off claim prior to the first use by the registered proprietor, an impasse ensues. The proprietor of the mark, if valid, may restrain use by the owner of the goodwill. However, the proprietorship of the mark provides no defence to a passing off claim by the owner of the goodwill, notwithstanding the fact that such*

> *goodwill was generated after the application to register the mark."*

20. He has further placed reliance on the judgment of this Court in ***Thukral Mechanical Works v. PM Diesels Private Ltd., 2026:DHC:966-DB*** and of the Supreme Court in ***Nandhini Deluxe v. Karnataka Coop. Milk Producers Federation Ltd., (2018) 9 SCC 183***, which have followed the decision in ***Neon Laboratories (supra)***.

21. He relied on Chapter 17 of *McCarthy on Trademarks and Unfair Competition (Fourth Edition)*, database updated June 2014. The same reads thus:

> *"A party cannot claim that use subsequent to abandonment of a mark has revived the rights obtained by the earlier use. The Court of Appeals for the Eleventh Circuit has held that where a party did not use the mark for 48 years from 1932 until 1980, its use in 1980 did not retroactively cure its past abandonment. Rights lost as a result of abandonment are not revived by such subsequent use. Once a period of nonuse results in abandonment, a resumption of use thereafter cannot cure the preceding abandonment. Such a resumption represents a new and separate use with a new date of first use. Once a trademark is abandoned, its registration may be cancelled even if the registrant subsequently resumes use of the mark.*
>
> *Possible abandonment by the registrant during a time period prior to a challenged registration's filing date is irrelevant to the validity of that registration. Similarly, if a challenger's date of first use is later than the resumed use of the party alleged to have abandoned the trademark, then the issue of possible abandonment is irrelevant to the question of priority."*

22. It is also stated by him that the impugned trade mark in question was entered in the Register of Trade Marks w.e.f. 27.09.2007 in favour of the respondent no.2. However, even after so many years, the respondent no.2 has not used the trade mark till date. On this ground alone, the trade mark of the respondent no.2 is liable to be removed from the Register of Trade Marks under Section 47 of the Act.

CONTENTIONS OF THE RESPONDENT NO.2

23. Per *contra*, Mr. Ajay Sahni, learned counsel for respondent no. 2 submitted that it is an admitted position that the respondent no. 2 had filed the application for the registration of the trade mark '20-20' earlier than the appellant, on 27.09.2007 *vide* application no. 1606126 in Class 30 for the goods '*coffee, tea, cocoa, sugar, rice, tapioca, sago, coffee substitutes, flour and preparations made from cereals, bread, biscuit, cakes, pastry and confectionary, candies, ices, honey, treacle, yeast, baking powder, salt, mustard, pepper, vinegar, sauces, spices, ice, vermicelli and papad*'.

24. He stated the application was submitted on a 'proposed to be used basis'. It was examined *vide* examination report dated 10.10.2008, whereby objections were raised under Sections 9 and 11 of the Act. The respondent no. 2 filed its reply to the examination report, and even made oral submissions at the hearing held on 15.03.2010. Thereafter, the order was reserved, however, the same was not passed or communicated to the respondent no.2 for long. Even after making a number of personal enquiries, no order was passed.

25. Consequently, the respondent no. 2 filed an RTI application dated 08.10.2012. Pursuant to the same, the reply was provided *vide* letter dated 08.11.2012 stating that the order of refusal had not been informed to the respondent no. 2 earlier. On 21.11.2012, the respondent no.2 filed form TM-15 before the Trade Marks Registry to obtain the grounds of refusal and followed upon the same *via* reminders dated 21.10.2013 and 03.11.2015. Despite various number of letters/correspondences, the Trade Mark Registry did not respond.

26. Aggrieved by such non-response by the Registry, the respondent no.2 filed a Writ Petition before this Court on 10.02.2016 numbered as W.P.(C) 1547/2016, which was disposed of in its favour *vide* order dated 24.02.2016 whereby the respondent no. 1 was directed to dispose of the pending Form TM-15 and provide grounds of refusal to the respondent no. 2. On 01.03.2016, the grounds of refusal were communicated to the respondent no.2 by the Trade Marks Registry for the first time, whereby respondent no.2 came to know that the application was refused under the provisions of Section 9(1)(b) of the Act.

27. Thereafter, the respondent no. 2 challenged the said order, which resulted in the Intellectual Property Appellate Board ("IPAB") setting aside the refusal order by passing an order dated 09.08.2019, directing that the application of the respondent no.2 be proceeded for publication in the Trade Marks Journal. Accordingly, the said application was published in the Trade Marks Journal No. 1960 on 10.08.2020.

28. This application was opposed by the appellant *vide* notice dated 25.11.2020. This was followed by the respondent no. 2 filing their counter statement, whereafter the appellant filed its evidence under Rule 45 on 16.11.2021. The respondent no. 2 filed its evidence under Rule 46 on 09.01.2023. The final hearing was held on 17.04.2025. Finally, *vide* the impugned order dated 29.04.2025, the opposition of the appellant was eventually dismissed by the Registrar of Trade Marks.

29. It is the case of the respondent no. 2 as contended by Mr.Sahni that it had diligently pursued its application before the Registrar for 17 years. The respondent no. 2 is the prior adopter of the impugned mark and filed its application for the registration of the trade mark earlier than the appellant.

30. He made submissions with respect to the proceedings that ensued the application No. 1608181 dated 04.10.2007 of the appellant herein for the registration of the mark in its name. He stated that in the examination report dated 24.06.2008 which was issued post the application of the appellant on 04.10.2007, apart from other marks, the trade mark of the respondent no. 2 was cited as a conflicting mark under Sections 9 and 11 of the Act.

31. In its reply dated 06.08.2008 to this objection, the appellant had stated before the Registrar that both the marks are inherently distinctive, when seen as a whole. Even with respect to Section 11, the stand of the appellant was that the mark applied for by the appellant is visually, phonetically, conceptually different from the marks cited as objecting. Hence, the appellant must not be allowed to approbate and reprobate from its stand taken on 01.08.2008. Contrary to this reply, the appellant has submitted

before this Court that the mark of respondent no. 2 ought not to be registered as it is deceptively similar to that of the appellant.

32. Thereafter, a hearing was held before the Registrar on 22.12.2008. At this hearing, the appellant presented an application stating that the appellant is willing to restrict the specification of the goods to 'biscuits' only. Pursuant to the hearing dated 22.12.2008, the objection under Section 9 of the Act was waived. As regards Section 11 of the Act, the mark was allowed only in respect of the goods 'Biscuits only'. However, surprisingly in the Trade Marks Journal dated 12.06.2017; the advertisement erroneously specified the entire goods for which the appellant had initially applied being *"biscuits and confectionery, bread, cake, pastry, wafer (biscuits), all being goods included in class 30, sweets, sweetmeats, toffees, chocolate included in class 30, ice cream and ice cream mix, products for making biscuits, essences for food, buns, candy, chewing gum, chicory, atta, flour and preparations made from cereals, vermicelli and semo lina, mustard powder, gelatine for food, sphagetty, noodles and other pasta products"*. Fallaciously, the said application was proceeded for registration, which was granted for the trade mark '20-20' in Class 30 on 01.11.2017 relating back to the date of application for registration i.e. 04.10.2007. This error also got reflected in the registration certificate, granting the registration to the appellant for all the goods. No issue was raised by the appellant to the publication of its mark in the journal, despite knowing that this error has occurred. Hence, the appellant is wrongly registered as the proprietor of the trade mark '20-20' for goods other than biscuits. Hence, this registration is

void-ab-initio and illegal. Hence, the registrations of the appellant are liable to be rectified/ cancelled.

33. He stated that since the appellant has not approached this Court with clean hands, i.e. with a defective registration, it should not be entitled to any relief. In view of the same, he submitted that the appeal must be dismissed with exemplary costs in favour of the respondent no. 2.

34. It is also his submission that it was the responsibility of the appellant to properly inspect the Register of Trade Marks prior to its adoption of the impugned mark as the same would have shown that the respondent no. 2 had already filed its application for the same mark for identical goods prior to it. Even otherwise, after filing of its application, the examination report dated 24.06.2008 so received by the appellant had highlighted that the identical trade mark '20-20' had already been filed by the respondent no.2, as the same was cited as a conflicting mark. According to Mr.Sahni, the appellant should have given up the use of the said mark, however, not having done so, the appellant took a chance and deliberately continued the use of the impugned mark. Hence, the appellant had always known about the respondent no. 2 to be the lawful proprietor and adopter of the impugned mark and must not be allowed to interfere with the rights of the respondent no.2 by unlawful subsequent use by it.

35. He stated that the settled principles of law would apply in the present circumstances that to defeat the statutory right of the respondent no. 2 the appellant is required to establish use of the said trademarks prior to 27.09.2007 which is the date of registration of the respondent no. 2 and it is

an admitted case of the appellant that the appellant does not have any use of any of its said trademarks prior to 27.09.2007 and the present appeal is liable to be dismissed on this sole ground itself. The appellant has not been able to prove the use of the mark since 2007, as claimed by it. No documentary evidence has been filed by it to substantiate this claim. Even if the appellant claims itself to the registered proprietor of the trade mark '20-20', the same is subsequent to the registration of the respondent no.2, which would remain wholly unaffected. The subsequent use by the appellant cannot take away the vested rights of the respondent no.2 in the impugned mark, which accrues due to prior adoption and prior registration.

36. Mr. Sahni has extensively relied upon the judgment of the High Court of Madras in ***Mohan Goldwater Breweries Pvt. Ltd. v. Khoday Distilleries Pvt. Ltd and Others, 1977 IPLR 83***, which has been followed by this Court in ***Enterprises Pvt. Ltd (supra)*** and ***Reckitt and Colman Overseas Health Limited (supra)*** to state that the date of application would primarily form the basis for the grant of registration. The use of the mark in the interregnum would not devolve any special benefit to the user, if the application for registration is pending. He also placed reliance on the case of ***Radico Khaitan Ltd. v. Devans Modern Breweries Ltd., 2019:DHC:1423***, which has distinguished the decision in ***Neon Laboratories (supra)*** on the ground that the same was for passing off and not infringement and hence, the decision would clearly not apply to the facts of the present case, inasmuch as in the respondent no. 2 herein has not commenced the use of its trade mark '20-20'. The appellant in ***Neon Laboratories (supra)*** had a registered trade

mark which it had not used whereas the respondent no. 2's trade mark only got registered in the year 2025.

37. Reliance was also placed by him upon the judgment of this Court in ***Vasundhara Jewellers Pvt Ltd. v. Vasundhara Fashion Jewellery LLP & Ors., 2025 SCC OnLine Del 5660***, ***Pernod Ricard India Private Limited & Anr. v. Karanveer Singh Chhabra reported in 2025 SCC OnLine SC 1701*** and ***Meghraj Biscuits Industries Ltd v. Commissioner of Central Excise, U.P., AIR 2007 SC** 1433* to contend that as long as the mark is registered, it is safeguarded under the provisions of the Act i.e. Section 28 and 29.

ANALYSIS AND CONCLUSION

38. Having heard the learned counsel for the parties and perused the record, the short issue which arises for consideration in this appeal is whether the learned Single Judge is justified in dismissing the appeal under Section 91 of the Act filed by the appellant herein, challenging the order dated 29.04.2025 passed by the respondent no.1/Registrar of Trade Marks dismissing the Opposition No.1075195 filed by the appellant herein, in the Trade Mark Application No.1601626 of the respondent no.2 in Class 30, which was allowed resulting in registration in favour of the respondent no.2.

39. Before we deal with the submissions, the admitted position that needs to be placed on record is that both the appellant and the respondent no. 2 had filed applications for registration of the Trade Mark '20-20' in Class 30, the difference being the application of the respondent no. 2 was earlier, dated 27.09.2007 whereas that of the appellant was subsequent, dated 04.10.2007. Both the applications were filed on a 'proposed to be used basis'.

40. The case of the appellant is that after the filing of the Trade Mark Application, it later used the mark '20-20' in respect of "biscuits, cookies, confectionery, snack foods, bakery products, chips, wafers, potato flakes, namkeen, cereal preparations, atta (flour), toffees, candies, chocolates, cakes, pastries, sweets, savory products, etc."

41. According to the appellant, it used the mark '20-20' between the years 2007-2008 and the Trade Mark registration certificates were issued to the appellant for the marks '20-20', "TWENTY-20" and "T20" under nos. 160181, 160812 and 160813 respectively. The respondent no. 2's application for the mark '20-20' was advertised in Trade Mark Journal no.1960 of 10.08.2020. The appellant filed its opposition dated 25.11.2020, as referred above, to the application of the respondent no. 2. A counter-statement was filed by the respondent no. 2 to the opposition filed by the appellant on 01.02.2021. Pursuant to the final hearing, the respondent no. 1 passed the order dated 29.04.2025 dismissing the opposition of the appellant and allowing the application of the respondent no. 2.

42. The submission of Mr. Sai Deepak is primarily that the learned Single Judge has overlooked the settled principles that priority in trade mark law is determined by the first use in the market, as the rights in trade mark emanate from the actual commercial use of the mark and the goodwill generated by it, and not merely by applying for registration on a "proposed to be used basis". In that sense, the first in the market test supposes that even a prior applicant/registrant cannot defeat the rights of a party that has used the mark earlier and built a substantial goodwill based on the earlier presence in the market. In support of his submissions, he has relied upon Section 34 of the

Act stating that due protection is accorded to the prior user of the trade mark. He has drawn our attention to the judgment of the Supreme Court in ***Neon Laboratories Ltd. (supra)***, which decided an interim injunction application, more specifically, paragraph 11 thereof, which we have already reproduced above.

43. The learned Single Judge has rejected the reliance placed on the judgment of ***Neon Laboratories Ltd. (supra)*** in paragraphs 37 & 38 of the impugned order, which we reproduce as under: -

> *"37. Though the appellant had extensively relied upon the judgment of the Supreme Court in Neon Laboratories (supra), this Court is of the considered opinion that the said judgment was a proposition in the context of passing off and not infringement. Admittedly, in the present case respondent no.2 had not commenced the manufacture of goods using the mark '20-20' till date, thus the question or the issue of passing off does not arise at all. In such circumstances, as noticed in Radico Khaitan (supra) by this Court in paragraphs 49 and 50, the ratio in Neon Laboratories (supra) is constricted only to a case of passing off and not infringement and moreover neither Neon Laboratories (supra) nor S. Syed Mohiden v. P. Sulochana Bai, (2016) 2 SCC 683 are an authority for a defence under Section 34 of the Act in an action for infringement of a registered trademark. It is trite that judgments are not Euclid's theorem to apply in all cases without reference to the facts which arise in such cases. Thus, the question as to whether the appellant had commenced its manufacturing using the mark '20-20' prior to the respondent no.2 or not would not be relevant to decide the present controversy.*

38. The facts in the present case appear to be clearly more in consonance with those which had arisen before the Madras High Court in Mohan Goldwater (supra). In Mohan Goldwater (supra), the following facts had emerged, which are extracted hereunder:-

> *"1. These two appeals have been filed by the same appellant under Section 102 of the Trade and Merchandise Marks Act, 1958, (hereinafter referred to as "the Act") against the orders passed by the Assistant Registrar of Trade Marks rejecting oppositions Nos. 691 and 692 to applications Nos. 260504 and 260523 respectively. The first respondent herein who is the same in both the appeals filed applications Nos. 260504 and 260523 on 10th November, 1969, for registration of a trade mark consisting of the words "Silver King" in respect of beer, ale and stout included in Clause 32 and in respect of liquors of all kinds included in Class 13, respectively, stating that the marks were proposed, to be used in respect of the said goods. The applications were accepted by the second respondent and advertised in the Trade Marks Journal No. 513 dated 16.10.1970 at pages 562 and 564 respectively. The appellant filed notice of opposition to the registration of the said trade mark on 15.1.1971 under Section 21 of the Act in relation to the goods in question setting out the following main grounds: (1) The opponents had adopted the trade mark containing the words "Silver King" in respect of beer manufactured by them since June 1970, and that the said trade mark had actually been extensively used by them since September 1970 as a result of which a great deal of reputation had accrued around it.*
>
> *(2) The applicant's trade mark was deceptively similar to the trade mark adopted and used by the opponents and, therefore, the registration of the*

applicant's mark with the words "Silver King" would be contrary to Section 11(a) of the Act.
(3) The applicants were not the proprietors of the mark, in respect of the goods for which registration had been sought, within the meaning of Section 18(1) of the Act."

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3. The second respondent then proceeded to consider the applications for registration in the light of the opposition, after a personal hearing. Before the second respondent it was contended by the opponents that the application for registration of the trade mark "Silver King" was based on the proposed adoption of the mark for use in relation to liquor of all kinds that the opponents had adopted and used the trade mark "Silver King" from September 1970 that by such adoption and user, they had acquired ownership of the trade mark and, therefore, the registration of the trade mark in the name of the applicants after the opponents had acquired ownership therein will be contrary to section 11(a) of the Act. Dealing with this objection of the opponents that they having acquired ownership of the trade mark by long use subsequent to the filing of the application for registration, the trade mark could not be registered in the name of the applicants the second respondent took the view that in an application for registration the rights of the parties were to be determined as on the date of the application that the question of deception or confusion under Section 11 must generally be determined with reference to that date and that in this case the evidence of user filed by the opponents from October 1970 being subsequent to the date of the application, the user was not of any avail. In this view, the second respondent *proceeded to consider the question whether the applicants were the proprietors of the mark on 10th November, 1969, named the date of the application, within the meaning of Section 18(1) of the Act, and held that the applicants having proposed to use the trade mark and showed then-intention to register the same, should be taken to be the proprietors of the mark on that date and, therefore the applicants were entitled to have the same registered. The result was both the applications for registration of the trade mark "Silver King" in respect of goods covered by classes 32 and 33 were allowed and the oppositions were rejected on 4th August, 1973. The said decision of the second respondent has been challenged in these appeals.*

4. The contentions raised by the appellants are these: (1) The applicants not having filed any evidence by way of affidavits in support of the application as contemplated by Rule 54 within 2 months from the date of receipt of the copies of the affidavits in support of the opposition, they could not be permitted to let in any further evidence in support of their application, that the failure to file any evidence in support of the application as required in Rule 54 would lead to the inference that the evidence adduced by the opponents in support of their opposition was not proposed to be repudiated by the applicants, and that the affidavit evidence adduced by the opponents clearly indicated that the applicants had no intention to use the trade mark which they sought to register. (2) The applicants had not acquired any proprietary right in the trade mark in question either on the date of the application or at any subsequent date and, therefore, they were not entitled to have the trade mark registered. (3) The opponents having adopted and used the trade *mark in an extensive manner from October 1970, they should be taken to have acquired a proprietary right in the trade mark. (4) The material date for determining the ownership of the trade mark was the date of opposition and not the date of application as had been held by the second respondent and the opponents having acquired the ownership in the trade mark by established user long before the date of opposition any registration of the mark in favour of the applicants would infringe Sections 11 and 12 of the Act.*

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9. As regards the second contention as to whether the applicants have acquired a proprietary right in the trade mark on the date of the application so as to enable them to file an application under Section 18, the learned counsel for the appellants contends that though the applicants in their application filed in November 1969 proposed to use the trade mark, they have not chosen to use the trade mark till now, that a mere intention to use is not sufficient to confer a proprietary right in the mark on the applicants and that a present intention to the immediate use of the trade mark is necessary before an application for registration is filed under Section 18. Section 18 dealing with an application for registration of a trade mark says that any person claiming to be the proprietor of a trade mark used or proposed to be used by him who is desirous of registering it, shall apply to the Registrar in the prescribed manner for the registration of his trade mark. The section indicates that a person who is actually using a trade mark or who intends to use a trade mark can apply for registration. Therefore, the actual user is not necessary for acquisition of *proprietary right in a trade mark and an intention to use and register the trade mark appears to be sufficient. The question is how that intention is to be gathered.*

10. The applicants have stated that as they intended to adopt the expression "Silver King" as their mark, they caused an inspection to be made of the records in the Registry whether anyone had used or proposed to use the said mark, and that only after satisfying themselves that no one has claimed any proprietary right in the mark they chose to apply for registration of the mark in November, 1969. Admittedly the appellants adopted and used the said mark only in October 1970. If the applicants had no intention to use the trade mark on the date of the application, they would not have taken the trouble or causing a search to be made in the records of the Registry and applying for the registration of the trade mark. The only circumstance relied on by the opponents as indicating that the applicants had no immediate intention to use the trade mark is that even after the application for registration of the trade mark they had not chosen to actually use the trade mark. I am, however, of the view that this circumstance will not disprove any intention on the part of the applicants to use the trade mark. The application for registration of the trade mark having been filed, it might be that they waited till the trade mark is actually registered. It is true that even after the trade mark had been registered, the applicants have not used the trade mark. But the opponents having filed these appeals challenging the decision of the Registrar, the applicants might have postponed the user till the appeals are disposed of in their anxiety not to take any risk. This conduct of the applicants in not using the trade mark since the date of the application will only indicate that they are not *inclined to take the risk pending the decision of the Registrar of Trade Marks especially when the registration of the trade marks has been opposed by the appellants on the ground that they have already adopted and used trade mark in connection with the liquor manufactured by them.*

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12. It is true, the burden of proving that the trade mark in respect of which registration is sought is entitled to go on the register is on the applicant and if there be any doubt in the matter the application will have to be refused. It is also well established that it is incumbent on the applicant to establish that he is the proprietor of the mark before his mark could be registered. In this case the applicants are persons who have proposed to use the expression "Silver King" as a trade mark and sought for registration of the same. On the date of the application for registration of that mark no one else had designed and proposed to use the same. Of course they have not chosen to use the trade mark either before or after the application for registration was filed. But as already stated, user is not necessary for filing an application having regard to the language of Section 18. If a bonafide intention to use the trade mark immediately in connection with the goods manufactured is established, that will enable the applicant to maintain an application for registration under Section 18. I am not prepared to accept the contention of the appellants that non-preparation and non-user of the mark from the date of the application till the application came up for hearing will show that the applicants have really no intention to use the trade mark. The applicants had sufficient interest in the mark so as to enable them to file an application under

Section 18 as on 10th November, 1969, when no one had used or proposed to use the trade mark in question.

13. This leads us to the third contention. It is the case of the appellants that they have designed, adopted and used a trade mark with the words "Silver King" in connection with beer, ale and stout manufactured by them, that this mark has acquired a reputation and that, therefore, the applicants who have not chosen to use the trade mark till now cannot be enabled to acquire a proprietary interest in that mark by registering it. No doubt so long as a mark has not been registered anyone can adopt and use it and acquire a proprietary right therein as a result of such adoption and user. In this case, it has not been disputed by the applicants that the appellants have used a trade mark with the words "Silver King" in connection with beer, ale, and stout manufactured by them ever since October 1970. According to the appellants they have adopted and used the trade mark bonafide without any knowledge of the pendency of the application for registration of the trade mark "Silver King" filed by the applicants. There is considerable evidence in this case to establish that the appellants have been using the trade mark from October 1970 in connection with their goods. However, there is no evidence that the adoption and user of the trade mark in relation to their goods is bonafide and without the knowledge of the pending application for registration by the applicants in relation to the same trade mark. Admittedly the appellants have not made any search in the Registry to find out whether anyone had already adopted and proposed to use the trade mark in question. The adoption and user of the trade mark by the appellants is said to have *been done casually without reference to the Register of trade marks. It is contended by the applicants that the adoption and user by the appellants of the mark was not bonafide in that they did not make proper enquiries before such adoption and user as to whether anyone else had adopted or proposed to use the same in connection with his goods. Even so, the user of the mark will enable the appellants to acquire proprietary interest therein if no one else had acquired earlier such interest in the mark, and this is the position under the common law. Neither the provisions of the Act nor the rules framed thereunder prevent anyone else using a trade mark till the mark is actually registered. Therefore, there cannot be any doubt that the appellants can claim to have acquired a proprietary interest in the mark as a result of the user from October, 1970 if the applicants had not earlier acquired any interest in the mark.*

14…The question then is, as between the applicants who have proposed to use the mark and have sought registration of the same in November, 1969 and the appellants who have chosen, to use the mark subsequent to the date of such application for registration, who has got a preferential right to use or the proprietary interest in the trade mark. This question leads us to the fourth contention as to what is the relevant date for ascertaining the proprietary interest in a trade mark for purpose of registration. According to the applicants, the date of application for registration is the relevant date while according to the opponents the relevant date is the date of opposition. On a due consideration of the matter, I am of the view that for the purpose of registration of a trade mark the rights of the parties have to be usually determined as on the *date of the application. This is the view taken by Romer J. in Jellinek's application (1946) 63 R.P.C. 59 at p. 78. Ciba Ltd. v. M. Ramalingam MANU/MH/0021/1958 : A.I.R. 1958 Bombay 58 at p. 61 takes the same view. As already stated, user is not absolutely necessary for the purpose of maintaining an application for registration. In this case the application for registration was filed on 10-11-1969 and the evidence of user filed by the opponents is from October, 1970. Since the applicant's entitlement to registration of a trade mark has to be decided with reference to the facts as on the date of the application for registration, the evidence of user by the opponents subsequent to the said date cannot be relevant and will not entitle them to put forward the plea of user in answer to the earlier application for registration. The question then is whether the applicants are entitled to have the mark registered under Section 18(1) notwithstanding its subsequent adoption and user by the Opponents in October 1970.*

15. Section 18(1) of the Act reads as follows:-

> *"Any person claiming to be proprietor of a trade mark used or proposed to be used by him, who is desirous of registering it, shall apply in writing to the Registrar in the prescribed manner for the registration of his trade mark either in Part A or in Part B of the Register."*

16. Under the said section one has to consider whether the applicants are persons claiming to be the proprietors of the mark and whether they have a present intention to use that mark in respect of the goods set out in their application. When an applicant proposes to use a trade mark, he must show that there is some immediate and present intention to deal in certain goods or description of *goods and not a mere general intention of extending his business at some future time which he may think desirable. There is an averment in the counter-statement of the applicants that they are the proprietors of the trade mark as they adopted the same in 1969 in good faith after ascertaining that the said mark has not been adopted or proposed to be adopted or used by anyone else. The efforts taken by the applicants in the choice and adoption of the trade mark after verification and to have it registered on the date of the application shows that they had a present and definite intention to use the mark in connection with the goods manufactured by them. They have not subsequently abandoned their intention to use it, as otherwise they would not have pursued their application. Besides, the applicants are already in the wine trade and it is easy for them to use the trade mark as soon as the proceedings for registration are concluded. No doubt, the applicants have not started using the mark and the opponents have started using the same. That does not seem to matter in this case.*

17. In the matter of Hudson's trade marks (3 R.P.C. 135 at 160) Cotton L.J. has observed:

> *"Is a man to be considered as entitled to the exclusive use of any trade mark when he has never used it at all? That is a difficulty; but then, I think, the meaning is this; if a man has designed and first printed or proposed, or framed, any of those particular and distinctive devices which are referred to in the first part of Section 10 (U.K. Act of 1875) he is then looked upon as the proprietor of that which is under that Act a trade mark and this will give him the right as soon as he registers it."*

44. A perusal of the aforesaid would reveal that the learned Single Judge has primarily distinguished the judgment of ***Neon Laboratories Ltd. (supra)*** by holding that the ratio of the said judgment is in the context of passing off and not infringement, and in the present case, as the respondent no. 2 has not commenced manufacturing of goods using the mark '20-20' till date, the question, or issue of passing off does not arise at all.

45. The case of ***Neon Laboratories Ltd. (supra)*** centered on a drug of the respondent no.1/plaintiff therein with a mark "PROFOL" whereas the name of the therein appellant/defendant no.1's drug was "ROFOL". The plaintiff therein started using the name "PROFOL" in April 1998 and never got it registered whereas the appellant/defendant no.1 i.e Neon Laboratories Ltd. got registered the trade mark "ROFOL" in 2001 w.e.f. 19.10.1992 but did not use it till 2004. Therefore, the appellant/defendant no.1. had a prior registration whereas the respondent no.1/plaintiff had a prior user date. In the interregnum, the appellant/defendant no.1 had not only applied for registration but also commenced production and marketing of the drug. It was their case that they had built a substantial goodwill in the market for "PROFOL". The question which was framed by the Court in that case is as under:-

> *"The legal nodus is whether the prior registration would have the effect of obliterating the significance of the goodwill that had meanwhile been established by the Plaintiff-Respondents. Would a deeming provision i.e. relating registration retrospectively prevail on actuality – <u>competing equities</u> oscillate around prior registration and prior user."*
>
> *(emphasis supplied)*

46. The Court had in paragraphs 7 to 11 held as under:-

"7. Section 34 of the Trade Marks Act, 1999 (the Act) deserves reproduction herein:

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.

This Section palpably holds that a proprietor of a trade mark does not have the right to prevent the use by another party of an identical or similar mark where that user commenced prior to the user or date of registration of the proprietor. This "first user" rule is a seminal part of the Act. While the case of the Plaintiff-Respondents is furthered by the fact that their user commenced prior to that of the Defendant-Appellant, the entirety of the Section needs to be taken into consideration, in that it gives rights to a subsequent user when its user is prior to the user of the proprietor and prior to the date of registration of the proprietor, whichever is earlier. In the facts of the case at hand, the Defendant- Appellant filed for registration *in 1992, six years prior to the commencement of user by the Plaintiff-Respondents. The Defendant-Appellant was, thus, not prevented from restraining the Plaintiff-Respondents' use of the similar mark PROFOL, but the intention of the Section, which is to protect the prior user from the proprietor who is not exercising the user of its mark prima facie appears to be in favour of the Plaintiff- Respondents.*

8. Section 47 of the Act is in the same vein and statutory strain inasmuch as it postulates the possibility of a registered mark being taken off the register on an application being made by any aggrieved person, inter alia, on the ground that for a continuous period of five years and three months from the date on which the trademark was registered, there was no bona fide use thereof. In the case in hand, prima facie, it appears that for over five years after a registration application was made by the Defendant-Appellant, the mark was not used. Facially, the Act does not permit the hoarding of or appropriation without utilization of a trademark; nay the Defendant-Appellant has allowed or acquiesced in the user of the Plaintiff-Respondents for several years. The legislative intent behind this Section was to ordain that an applicant of a trademark does not have a permanent right by virtue of its application alone. Such a right is lost if it is not exercised within a reasonable time.

9. We must hasten to clarify that had the Defendant-Appellant commenced user of its trademark ROFOL prior to or even simultaneous with or even shortly after the Plaintiff-Respondents' marketing of their products under the trademark PROFOL, on the Defendant-Appellant being accorded registration in respect of ROFOL which registration would retrospectively have efficacy from 19.10.1992, the situation would have been unassailably favourable to it. What has actually transpired is that after applying for registration of its *trademark ROFOL in 1992, the Defendant-Appellant took no steps whatsoever in placing its product in the market till 2004. It also was legally lethargic in not seeking a curial restraint against the Plaintiff-Respondents. This reluctance to protect its mark could well be interpreted as an indication that the Defendant-Appellant had abandoned its mark at some point during the twelve year interregnum between its application and the commencement of its user, and that in 2004 it sought to exercise its rights afresh. It would not be unfair or fanciful to favour the view that the Defendant-Appellant's delayed user was to exploit the niche already created and built-up by the Plaintiff-Respondents for themselves in the market. The 'first in the market' test has always enjoyed pre-eminence. We shall not burden this Judgment by referring to the several precedents that can be found apposite to the subject. In the interest of prolixity we may mention only N.R. Dongre v. Whirlpool Corporation (1996) 5 SCC 714 and Milmet Oftho Industries v. Allergan Inc. (2004) 12 SCC 624. In Whirlpool, the worldwide prior user was given preference nay predominance over the registered trademark in India of the defendant. In Milmet, the marks of pharmaceutical preparation were similar but the prior user worldwide had not registered its mark in India whereas its adversary had done so. This Court approved the grant of an injunction in favour of the prior user. Additionally, in the recent decision in S. Syed Mohiden v. P. Sulochana Bai (2015) 7 SCALE 136, this Court has pithily underscored that the rights in a passing-off action emanate from common law and not from statutory provisions, nevertheless the prior user's rights will override those of a subsequent user even though it had been accorded registration of its trademark. Learned counsel for the Defendant-Appellant has endeavoured to minimise the relevance of Whirlpool as well as Milmet by drawing the distinction that those trademarks had attained worldwide reputation.*

However, we think that as world shrinks almost to global village, the relevance of the transnational nature of a trademark will progressively diminish into insignificance. In other words, the attainment of valuable goodwill will have ever increasing importance. At the present stage, the argument in favour of the Defendant-Appellant that we find holds more water is that in both Milmet and Whirlpool, as distinct from the case before us, the prior user of the successful party predated the date of application for registration of the competing party. The question to examine, then, would be whether prior user would have to be anterior to the date of application or prior to the user by the Defendant-Appellant. <u>In other words, the question before the Court would remain whether the situation on the date of application for registration alone would be relevant, or whether the developments in the period between this date and the date of grant of registration would have any bearing on the rights of the parties. All these considerations will be cast into a curial cauldron to be appreciated by the Court before which the suit is being contested. In these premises, we cannot conclude that a prima facie case has not been disclosed by the Plaintiff-Respondents.</u>

10. <u>Since we are confronted with the legal propriety of a temporary injunction, we must abjure from going into minute details and refrain from discussing the case threadbare, in order to preclude rendering the suit itself an exercise in futility and the decision therein a foregone conclusion. All that we would say in the present Appeal is that since the Plaintiff-Respondents have alleged, and have prima facie supported with proof, that they had already been using their trademark well before the attempted user of an identical or closely similar trademark by the Defendant-Appellant, the former would be entitled to a temporary injunction, in light of the abovementioned 'first in the market' test. We find that the Plaintiff-</u>

<u>Respondents have made out a prima facie case. The two other factors in an interim injunction, namely the balance of convenience and an irreparable loss, are both in favour of the Plaintiff- Respondents, given the potential loss of goodwill and business they could suffer should an injunction be denied</u>. The Defendant-Appellant has been injuncted from using the mark ROFOL since 2005, after having launched products bearing the mark only in the previous year, so the balance of convenience is in favour of allowing the injunction to continue. In Milmet, this Court had taken note of the fact that the unsuccessful litigating party had in the duration of the litigation started using another mark, and found that this would prima facie assume significance in assessing "irreparable loss".

11. For manifold and myriad reasons, we are of the opinion that the decision of the Trial Court, as affirmed by the First Appellate Court, is reasonable and judicious, and does not suffer from perversity by any dialectic that the Defendant-Appellant may proffer. The Appeal is accordingly dismissed, but with no order as to costs." (emphasis supplied)

47. Having noted the conclusion drawn by the Supreme Court, it is necessary to deal with the submission advanced by Mr. Sai Deepak that the ratio of the judgment in ***Neon Laboratories Ltd. (supra)*** is grounded on the fact that prior users are entitled to protection against the registered proprietors and the same is fully applicable to the present case.

48. We agree with the conclusion of the learned Single Judge that the judgment of the Supreme Court is in the context of passing off action and the question as to whether the appellant had commenced manufacture of its goods using the mark '20-20' prior to the respondent no.2 would not be relevant in these proceedings. We also agree that the facts of the present

case are more in consonance with the judgment of the Madras High Court in ***Mohan Goldwater Breweries Pvt. Ltd. (supra)***, which has been followed by a learned Single Judge of this Court in the case of ***Enterprises Pvt. Ltd (supra)***, and further in the case of ***Radico Khaitan Ltd.(supra)***, wherein, a Coordinate Bench of this Court has in paragraphs 48 to 50 held as under:-

> *"48. This Court is of the opinion that the judgment of the Apex Court in Neon Laboratories Ltd. Vs. Medical Technologies Ltd. & Ors. (supra) <u>relied upon by learned counsel for the defendant is inapplicable to the facts of the present case as the said Apex Court did not give a final finding on the issue of whether prior use would have to be anterior to the date of application for registration and/or prior to the other party's use. In fact, it left the issue open. The relevant portion of the said judgment is reproduced hereinbelow</u>:-*
>
> > *"2. As is to be expected, the assertion in the plaint is that the Defendant Appellant is marketing and passing off its products as that of the Plaintiff-Respondents.*
> >
> > *xxxx xxxx xxxx xxxx*
> >
> > *9. This Court approved the grant of an injunction in favour of the prior user. Additionally, in the recent decision in S. Syed Mohiden v. P. Sulochana Bai [S Syed Mohiden v. P. Sulochana Bai, MANU/SC/0576/2015 (2016) 2 SCC 683: (2015) 7 Scale 136] this Court has pithily underscored that the rights in a passing-off action emanate from common law and not from statutory provisions, nevertheless the prior user's rights will override those of a subsequent user even though it had been accorded registration of its trade mark...*

All these considerations will be cast into a curial cauldron to be appreciated by the Court before which the suit is being contested. In these premises, we cannot conclude that a prima facie case has not been disclosed by the respondent-plaintiffs."

xxxx xxxx xxxx xxxx

50. In fact, neither Neon Laboratories Ltd. Vs. Medical Technologies Ltd. & Ors. (supra) nor S. Syed Mohidden Vs. P. Sulochana Bai (supra) or L.D. Malhotra Industries Vs. Ropi Industries (supra) are an authority for a defence under Section 34 of the Trade Marks Act, 1999 in an action for infringement of a registered trade mark." (emphasis supplied)

49. The facts as noted by us in paragraphs 22 to 27 above, of this judgment would reveal that the respondent no. 2 had diligently pursued its application before the Registrar for 17 years. It was finally decided on 29.04.2025, when the opposition of the appellant was eventually dismissed. It is not a case where upon timely decision on opposition/registration in favour of respondent no. 2, it remained dormant without using the mark. It is only a year back that application for registration has been allowed. In any case, there was no reason for the respondent no. 2 to use the mark, in view of the stand taken by the appellant in its opposition application, which came to be decided only in the year 2025. As such, the delay in using the mark by the respondent no.2 is attributable to delays of the Trademark registry in processing the application and its pursuing the opposition /registration of the mark. This cannot be to the prejudice of the respondent no.2, who is admittedly the prior adopter of the impugned mark.

50. Mr. Sai Deepak has endeavoured to establish that there is an impasse in the present matter, as expressed by *Kerly* in his authoritative disquisition – *Kerly's Law of Trade Marks and Trade Names*. However, we fail to see how such a situation ensues to the benefit of the appellant. From the relevant extract of *Kerly's Law of Trade Marks and Trade Names*, already reproduced by us in paragraph 19 above, it is evident that the registered proprietor of a mark possesses a right to injunction against an infringement by a party claiming use and goodwill. Such a right arises from registration itself. What *Kerly* contemplates is that the registration of the mark cannot come to the defence of the proprietor of a mark in a passing off claim by the party claiming use and goodwill. In fact, in ***Thukral Mechanical Works (supra)*** a Coordinate Bench of this Court had examined the doctrinal paradox of '*Kerly's impasse*' in detail, and observed as under:-

> *"179. We have spent considerable time reflecting on whether such an injunction, on the ground of infringement, can be granted even where the infringer has acquired goodwill by use of the infringing mark. Indisputably, the right to injunction, in a passing off action, is predicated on goodwill arising from use, whereas the right to injunction, following infringement, is a right arising from registration. This throws, into sharp relief, the oft cited plea that "user trumps registration" in trade mark matters.*
>
> *180. Kerly indisputably recognizes, in such a context, the existing of contrasting rights to obtain injunction; of the registrant on the basis of registration, and of the owner of goodwill on the basis of the goodwill earned.*
>
> *181. Is the law in India different? Does the owner of the goodwill have, on the basis of the goodwill earned, a right to block the entitlement of the registrant to obtain an injunction on the basis of infringement?*

182. Again, indisputably, in our opinion, no such fetter is put in placed by the statute. The statutory position is, in this context, the same, under the 1958 TMMA and the 1999 TMA. We, naturally, advert to the former, as the 1958 TMMA is what concerns us.

183. Section 28(1) of the 1958 TMMA confers, to a registrant of a validly registered trade mark, a right to obtain relief against infringement, which includes the right to an injunction. Any use of an identical, or deceptively similar, trade mark, by a person who has no registration therefor or other permission to so use the mark, is infringing, within the meaning of Section 29.

184. Section 28(1) is, however, made subject to the other provisions of the 1958 TMMA. This would, therefore, make Section 28(1) subject to Section 27(2) as well as Section 33 (which parallels Section 34 of the 1999 TMA).

185. Section 27(2), undoubtedly, holds that nothing in the 1958 TMMA affects the rights of action against any person for passing off his goods as those of another, or to obtain an injunction on that basis. That, however, only saves passing off actions and the right to obtain injunction in such cases. It does not derogate from the right conferred in Section 28(1).

186. We may express it otherwise. The injunction that an owner of goodwill (let us call him X) can obtain against the registered proprietor of the mark (let us call him Y), by virtue of Section 27(2) on the ground of passing off, may affect the right of Y to further use the mark, but cannot affect the right of Y to obtain relief against infringement, on the basis of Section 28(1). This is because the right to relief, in a case of passing off, does not extend to undoing the registration granted to Y.

187. Once the registration of Y thus remains inviolate, the right to obtain an injunction against any person who, not being a registered or permissive user thereof, uses an *identical or deceptively similar mark for identical goods, flowing from Section 29(1), 28(1) and 106 of the 1958 TMMA, also stand preserved.*

188. The TMMA does not envisage goodwill to be a defence against injunction, where infringement is found to exist.

*189. **The only protection against injunction, available to X (the owner of the goodwill), in such a case, is under Section 33 of the TMMA – corresponding to Section 34 of the 1999 TMA. It is only in such a case that "user trumps registration". User is accorded priority over registration, therefore, only where the user, by the defendant is prior both to the user of the mark by the plaintiff as well as the registration of the mark in the plaintiff's favour**."*

(emphasis supplied)

51. It is apparent from the above that two separate rights to injunction exist in such a scenario- (i) the right of a proprietor of a registered mark against a party claiming use, in a matter of infringement, and (ii) the right of a party claiming use/goodwill against the proprietor of a registered mark in a matter of passing off. Both these rights prevailed in the facts of the case in ***Thukral Mechanical Works (supra)***. A reading of the judgment would also make it clear that the only protection against injunction available to a party claiming goodwill is under Section 34 of the Act, which contemplates that a user is accorded priority over a registration only when such user by a party is prior to the user of the mark by the registrant or the registration in its favour whichever is earlier. It is an undisputed fact that the respondent no. 2 has not yet commenced the manufacturing of products under the impugned mark. However, having been granted the registration in its favour vide order dated 29.04.2025, which shall relate back to the date of application by the

respondent no. 2 for its mark – '20-20' i.e. 27.09.2007, the same would still be prior to the adoption and use, both, by the appellant. Hence, the appellant would still be unable to defeat the right over the impugned mark in respondent no. 2's favour, which has accrued in consequence to its earlier adoption and application for registration of the impugned mark. As such, the reliance placed by Mr. Sai Deepak on the said judgment cannot enure to the benefit of the appellant.

52. It is necessary to note at this point that the judgment in ***Thukral Mechanical Works (supra)*** was taken in appeal in SLP (C) No.9593/2026, wherein the Supreme Court *vide* order dated 25.03.2026, has endeavored to solve the dispute among the parties amicably through mediation and directed the parties to maintain *status quo* in the meantime, as existing before the impugned judgment.

53. Yet another contention of the learned Senior Counsel for the appellant is that Section 18 of the Act has to be read harmoniously along with Section 11 and Section 34 of the Act. We find that the learned Single Judge had rightly held that this submission is inconsequential for the reason that there is no issue of passing off, for Section 11(3) (a) of the Act to apply.

54. The impugned order also notes two other judgments in the cases of ***Kabushiki Kaisha Toshiba v. Tosiba Appliances Co., (2008) 10 SCC 766*** and ***Reckitt and Colman Overseas Health Limited (supra).*** The learned Single Judge also placed reliance on the judgment of the Bombay High Court in the case of ***Drums food international Pvt. Ltd. v. Euro Ice Cream & Anr. (2011) SCC OnLine Bom 817***, which held that when the registration

of a trade mark is granted, the same must relate back to the date of application of the mark. It observes that use by any party while its application is pending, would not grant it any superior rights. The relevant paragraphs of the same read as under:

> *"8. The right to have a mark registered is not dependent upon the actual use of the mark at the time of registration. Section 18(1) reads :-*
>
> > *"18 Application for registration.- (1) Any person claiming to be the proprietor of a trade mark used or proposed to be used by him, who is desirous of registering it, shall apply in writing to the Registrar in the prescribed manner for registration of his trade mark."*
>
> *9. To hold that a registered mark does not take precedence over the use of the mark after the date of the application for registration would render section 18(1) otiose. The Act encourages proprietors to have their marks registered. If the plaintiff's case is upheld, it would not only be contrary to, but destroy the object of the Act as it would positively discourage registration of trade marks.*
>
> *10. To uphold the plaintiff's case would cause havoc and virtually erode the rights of the proprietors of trademarks. There is always a time-lag between an application for registration of a mark and the order registering the same. Applications for registration are in public domain. They are advertised. If Mr. Tulzapurkar's submission is upheld, upon an application for registration being made and advertised, it would be possible for any person to use it immediately, thereby rendering the valuable rights of the registered proprietor in respect of the mark nugatory even before the mark is registered. This*

would render an essential and substantial part of the Act redundant.

xxx xxx xxx

If I am right in the view I have taken, the expression "date of registration" in section 34(b) must mean the date of the application for registration for that is the date to which the registration, when granted, will relate. A view to the contrary would lead to an extremely peculiar situation. The date on which a mark is considered to be registered must be the same for infringement or for a passing off action. It would otherwise lead to conflicting orders in actions for infringement on the one hand and passing off actions on the other, which could never have been the intention of the Legislature."

55. Based on the consideration of the aforesaid judgments, the conclusion of the learned Single Judge in paragraphs 44 to 47 of the impugned order becomes relevant. The same reads as under:

"44. Thus, in view of the overwhelming law clearly laid down in the aforesaid judgments that when two entities apply for a similar, identical or a deceptively similar mark, that too on a "proposed to be used" basis, under the provisions of the Section 18 of the Act, subsequent use of the marks applied for by one of the parties would not enure to its benefit in any manner and such prior use in the eyes of law shall be inconsequential. Thus, the only firm conclusion in such circumstances is that the senior adopter would oust the junior adopter for the purposes of registration under section 18 of the Act. It is pertinent to extract Section 18 of the Act hereunder:-

18. Application for registration.— (1) Any person claiming to be the proprietor of a trade mark used or proposed to be used by *him, who is desirous of registering it, shall apply in writing to the Registrar in the prescribed manner for the registration of his trade mark.*

(2) A single application may be made for registration of a trade mark for different classes of goods and services and fee payable therefor shall be in respect of each such class of goods or services.

(3) Every application under sub-section (1) shall be filed in the office of the Trade Marks Registry within whose territorial limits the principal place of business in India of the applicant or in the case of joint applicants the principal place of business in India of the applicant whose name is first mentioned in the application as having a place of business in India, is situate:

Provided that where the applicant or any of the joint applicants does not carry on business in India, the application shall be filed in the office of the Trade Marks Registry within whose territorial limits the place mentioned in the address for service in India as disclosed in the application, is situate.

(4) Subject to the provisions of this Act, the Registrar may refuse the application or may accept it absolutely or subject to such amendments, modifications, conditions or limitations, if any, as he may think fit.

(5) In the case of a refusal or conditional acceptance of an application, the Registrar shall record in writing the grounds for such refusal or conditional acceptance and the materials used by him in arriving at his decision.

45. It would be incongruous to assume that as between two similar marks seeking registration on 'proposed to be used' basis, Section 18 of the Act would envisage two different situations, one for the applicant who would wait for the actual registration without using such mark and, the other, who, in the interregnum commences use of its mark without waiting for actual registration. If such situation is acceded to, then unscrupulous applicants would use such incongruity to oust the senior adopter/applicant from valid registration. Provisions of law cannot be read in a manner so as to defeat the aim of the Section or the Act itself. This would also be in consonance and conformity with Section 18 of the Act.

46. Applying the settled propositions, it is clear that the respondent no.2 had applied for registration of mark "20-20" on 29.09.2007, while the appellant had applied on 04.10.2007, thus, undeniably making respondent no.2 the senior/prior adopter of the said mark. Consequently, the putting to use of the mark '20-20' by the appellant while manufacturing goods from the year 2009 would also be rendered inconsequential in terms of the aforesaid ratio which, in the considered opinion of this Court, is squarely applicable to the present case.

47. The law as it stands today, has not been varied or tinkered with till date commencing from the judgment of the Madras High Court in Mohan Goldwater (supra) persuading this Court to disagree with the contentions raised by the appellant. Merely for the reason that it has taken 17 long years for the respondent no.2 to establish its claim for registration of the mark '20- 20' and in the meanwhile appellant had commenced its manufacture and use of the trade mark '20-20', will not, ipso facto, give any special benefit or treatment to the appellant and applying provisions of Section 18 of the Act, it is clear that such *user will not come in the way of the respondent no.2 getting its mark registered. Clearly, Section 18 of the Act, does not postulate two different dates of registration, i.e., one for those who waited till registration and other for those who commenced manufacturing in the interregnum while the application was under consideration."*

56. At this juncture, it is necessary to note the stand taken by the appellant in its response dated 01.08.2008 to the objection raised on the trade mark registration *vide* examination report dated 24.06.2008 wherein the appellant has stated as under:-

"Reply to the Examination Report:-

"…We are in receipt of the Examination Report No. U- 2829 dated July 2, 2008 pertaining to the above noted application.

In reply to the examination report, we submit as under,

Regarding paragraph 1 (objection under Section 9)

We submit that though the mark applied for, consists of numerals, it is inherently distinctive for the reason that the said numerals do not serve in the trade to designate the kind, quality, quantity, intended purpose, values, geographical origin or the time of production of the goods in question. In the given case, the mark applied for, taken as a whole, is inherently of a distinctive character, in as much as, it is capable of distinguishing the goods in respect of which the applicants are seeking registration thereof.

Regarding paragraph 2 (objection under Section 11)

We submit that no earlier mark has been cited in the report. In the absence of any earlier mark having been cited in the report, the objection

raised under Section 11(1) is not maintainable. The mark applied for, is visually, phonetically and conceptually different from the pending marks cited in the report. In order to overcome the objection raised under Section 11 of the Act, applicants are prepared to restrict the specification of goods to 'Biscuits' only.
In view of the above, you are requested to waive the objections and accept the application for advertisement in the Journal…"

57. The learned Single Judge examined the above and held as under:

> *"49. On a perusal of the aforesaid statements it is clear that in order to overcome the objections under Sections 9 and 11 of the Act, the appellant had clearly stated that the rival marks are phonetically, visually and conceptually distinct from one and another and also stated that it would restrict its applicability of the mark '20-20' to Biscuits only. If that is so, it is beyond comprehension as to how the very same appellant who obtained registration of mark '20-20' in its favour, is now contending that the mark '20-20' of the respondent no.2 is deceptively similar and cannot be registered on the ground that (i) the appellant is a prior user of the mark '20-20' and (ii) the mark of respondent no.2 is identical or deceptively similar to that of the appellant. This is a classic case of a party approbating and reprobating at the same time. This is impermissible in law. Such a stand was repelled and rejected by this Court in Radico Khaitan (supra)."*

58. The learned Single Judge observed that it is to overcome the objections under Section 9 and Section 11 of the Act that the appellant stated

that the rival marks are phonetically, visually and conceptually distinct from one and another and also that it would restrict its applicability of the mark ‘20-20’ to biscuits only. The learned Single Judge was of the opinion that thus, the very same appellant, who obtained registration of the mark ‘20-20’ in its favour cannot now contend that the mark of ‘20-20’ of the respondent no. 2 is deceptively similar and cannot be registered. As such, in the facts of the case, the contentions on behalf of the appellant with regard to Section 9, Section 11 and Section 34 of the Act were rejected. We agree with this conclusion. The appellant having already taken a stand as stated above in its response to the examination report dated 24.06.2008, it cannot now be allowed to claim rights on the same mark ‘20-20’ and challenge the registration granted to the respondent No. 2, on the ground that the marks are deceptively similar. The attempt of the appellant amounts to approbating and reprobating its stand, which is impermissible in law. In fact, this can standalone be a ground to dislodge the appellant from pursuing the action of passing off. In this regard, we may refer to the judgment of a Coordinate Bench of this Court in ***Raman Kwatra and Anr. v. KEI Industries Limited, 2023:DHC:83-DB*** relevant part of which reads as under:-

> *“43. We also find merit in the appellant’s contention that a party, that has obtained the registration of a trademark on the basis of certain representation and assertions made before the Trade Marks Registry, would be disentitled for any equitable relief by pleading to the contrary. The learned Single Judge had referred to the decision in the case of Telecare Networks India Pvt. Ltd. v. Asus Technology Pvt. Ltd. (supra) holding that after grant of registration neither the Examination Report nor the plaintiff’s reply would be relevant. We are unable to agree with the said view.*

In that case, the Court had also reasoned that that there is no estoppel against statute. Clearly, there is no cavil with the said proposition; however, the said principle has no application in the facts of the present case. A party that has made an assertion that its mark is dissimilar to a cited mark and obtains a registration on the basis of that assertion, is not to be entitled to obtain an interim injunction against the proprietor of the cited mark, on the ground that the mark is deceptively similar. It is settled law that a person is not permitted to approbate and reprobate. A party making contrary assertions is not entitled to any equitable relief."

59. We see no infirmity in the conclusion drawn by the learned Single Judge. The respondent no.2 having diligently pursued its claim for registration of the mark '20- 20', the appellant commencing its manufacture and use of the same mark in the interregnum, will not give any special benefit or treatment to the appellant, and will not usurp the registration of the respondent no.2.

60. In view of the foregoing discussion, we see no reason to interfere with the impugned judgment. The appeal is dismissed, along with the pending applications.

V. KAMESWAR RAO, J

MANMEET PRITAM SINGH ARORA, J

JULY 28, 2026
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