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* IN THE HIGH COURT OF DELHI AT NEW DELHI

Judgment reserved on: 06.10.2025**Judgment pronounced on: 22.12.2025**

+ RFA(COMM) 149/2024

SHRI KIRIT BHADIADRA

.....Appellant

Through: Mr. J. Sai Deepak, Sr. Adv. with
Ms. Kangan Roda, Mr. Sarthak Sharma, Ms.
Apoorva Sharma and Mr. Avinash and Ms.
Purnima Vashishtha, Advs.

versus

WINGS PHARMACEUTICALS

PRIVATE LIMITED

.....Respondent

Through: Mr. Sachin Gupta, Ms. Mahima
Chanchalani, Ms. Prashansa Singh, Mr. Rohit
Pradhan, Ms. Sunita, Mr. Anmol Bharti and
Ms. Charu Raghav, Advs.**CORAM:****HON'BLE MR. JUSTICE C. HARI SHANKAR****HON'BLE MR. JUSTICE OM PRAKASH SHUKLA****JUDGMENT****22.12.2025**

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OM PRAKASH SHUKLA, J

1. The present appeal has been filed under Section 13 of the Commercial Courts Act, 2015 read with Section 96 of the Code of Civil Procedure¹, 1908 arising from the judgment dated 04.03.2024 passed by the learned District Judge (Commercial Court) -01, West District, Tis Hazari Courts, Delhi in the matter titled "*Wings Pharmaceuticals*



Private Limited v. Sh. Kirit Bhadiadra” whereby the aforesaid suit came to be decreed in favour of the plaintiff (*arrayed as respondent in the present appeal*), holding that the defendant (*arrayed as appellant in the present appeal*) had infringed the trademark “**MEDILICE**” and as such directed the defendant to pay a sum of Rs. 10,00,000/- (Ten lakhs only) as punitive damages for the said infringement.

2. For the sake of convenience, the parties to the present appeal will be addressed by the same status and name as they were before the learned District Judge. Thus, the “appellant” will be addressed as the “defendant” and the “respondent” as the “plaintiff”.

INTRODUCTION

3. The plaintiff, Wings Pharmaceuticals Private Limited, is a company involved in the manufacture of pharmaceutical products. The defendant is the proprietor of M/s Rapple Healthcare, a company engaged in the business of manufacturing and marketing of ayurvedic medicines and healthcare products.

4. The plaintiff claims to be the registered proprietor of the trademark “**MEDILICE**”, used in respect of an anti-lice shampoo. On the other hand, the defendant claims to be using the similar mark “**MEDILICE LICE KILLER**” in relation to its product, an ayurvedic hair oil used for treating lice and dandruff.



5. The plaintiff sought a decree of permanent injunction restraining the defendants from using of the mark “**MEDILICE**” on the grounds of trademark infringement and passing off.

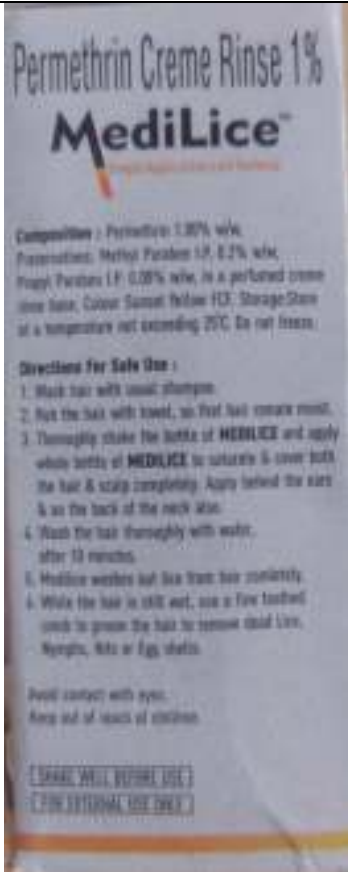
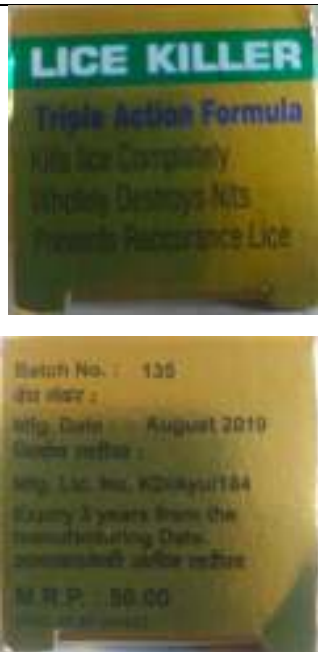
6. The learned District Judge by the impugned judgment dated 04.03.2024 decreed the suit in favour of the plaintiff. Thus, aggrieved by the decision of the learned District Judge, the defendant has filed the present appeal, *inter-alia*, seeking that the judgment of the learned District Judge in CS (COMM) 208 of 2020 be quashed and set aside.

7. For the sake of convenience, a description of the trade dress and overall representations of both the products/marks have been represented below:

Plaintiff's Product	Defendant's Products
	





Signature Not Verified

Signed By: PRAAGYA RFA(COMM) 149/2024
ARORA
Signing Date: 23.12.2025
16:12:30



THE PLEADINGS OF THE PARTIES

I. THE CAUSE OF THE PLAINTIFF/RESPONDENT

8. The suit was instituted by Wings Pharmaceuticals Pvt. Ltd. (arrayed as Plaintiff No.1), a company established under the provision of Companies Act, 2013 and M/s Wings Biotech, (arrayed as Plaintiff No.2 in trial court), a partnership firm established in the year 2008. The plaintiffs alleged and asserted before the learned District Judge that they had adopted the trademark “**MEDILICE**” in the year 1998 and used it to sell shampoos containing Permethrin, a medication which is used as a remedy against lice. The plaintiff claimed that the trademark “**MEDILICE**” is registered under registration no. 2845531 dated 19.11.2014 in Class 3, with the plaintiff as the registered proprietor.



9. The plaintiffs further stated in the plaint that they had also filed an application no. 1022531 dated 02.07.2001 for registration of the trademark “**MEDILICE**” under Class 5, which was later abandoned by them as it had been incorrectly filed on a “proposed to be used” basis. It was further stated that another application no. 2845530 dated 19.11.2014 was also filed for registration of the trade mark “**MEDILICE**” under Class 5, which inadvertently claimed a wrong user date of 11.12.2000, and was later refused by the Trade Marks Registry.

10. It has been averred in the suit plaint that apparently in the examination report issued by the Trade Marks Registry for the application no. 2845530 of the plaintiff, the defendant’s trademark application for “**MEDILICE**” under no. 2771629 was cited, to which the plaintiff no. 2 had incorrectly responded that the cited mark was distinct from their mark.

11. As per the plaint, the plaintiffs assert that the mark “**MEDILICE**” had been adopted, used and advertised by the plaintiffs continuously and extensively since the year 1998. In support thereof, the plaintiffs placed on record sales figures from the year 2000 onwards, to show extensive sales of their product. On this basis, it is averred that the trade mark “**MEDILICE**” has acquired goodwill and reputation among the public at large.

12. The plaintiffs claim to have become aware of the defendant’s application for registration of the mark “**MEDILICE LICE**



KILLER,” bearing application no. 4062424, in July 2020, following its publication in Journal No. 1945-0 dated 16.03.2020. Subsequently, upon conducting an online search thereafter, the plaintiffs came across the defendant’s product on the e-commerce website www.rajved.in and accordingly instituted the suit alleging infringement of their trademark, as according to them, the impugned mark was visually, structurally, and phonetically similar to plaintiff’s well known trade mark **“MEDILICE”**, registered under registration no. 2845531.

13. The plaintiffs further sought the relief of passing off, contending that they had been using the mark **“MEDILICE”** extensively since 1998, and that the mark had acquired distinctiveness as a symbol of trade origin of the plaintiffs and that the defendant’s act amounted to unfair competition by taking advantage of the plaintiff’s brand identity and goodwill. Additionally, the plaintiffs sought an order for delivery up of the infringing goods to the plaintiffs and/or for destruction, rendition of accounts, and costs.

14. The plaintiff also filed an application dated 31.07.2020 under Order XXXIX Rule 1 & 2 of the CPC, seeking grant of a temporary injunction restraining the defendant from using the mark **“MEDILICE”** or any other deceptively similar marks amounting to infringement and passing off.

15. The learned District Judge, by order dated 24.02.2022, dismissed the application for temporary injunction, on a *prima facie* view and did not grant any injunction against the defendant.



II. THE DEFENCE OF THE DEFENDANT/ APPELLANT

16. In the written statement, the defendant raised a preliminary objection to the maintainability of the suit. It was alleged that although the plaintiffs repeatedly claimed to have adopted the mark “**MEDILICE**” in 1998, they failed to specify which of the two plaintiffs had done so. The defendant pointed out that the registered trade mark relied upon by the plaintiffs stood in the name of Shri R.K. Arora, and no document had been filed to show any assignment or relationship between the said Mr. Arora, plaintiff no. 1 and plaintiff no. 2, or to establish their right over the registered mark “**MEDILICE**” in Class 3 under no. 2845531. It was further stated that in the plaintiffs’ previous applications for registration had also mentioned incorrect user details, and that in the examination report to application no. 1022531, the defendant’s mark “**MEDILICE**” had already been cited.

17. It was also asserted that the plaintiffs’ claim of the mark being “well-known” was false and misconceived and did not meet the requirements of Section 2(1) (zg) of the Act. The defendant put forward that there was no cause of action, as the parties dealt in different kinds of products, the plaintiffs being in pharmaceutical shampoos and the defendants in ayurvedic hair oils, which were neither allied nor cognate, and were sold through different trade channels. The defendant claimed to be the *bona fide* prior user of the mark “**MEDILICE**” since 13.03.2000, which was registered in its name under Class 16, under no. 4290825. The defendant also maintained that the plaintiffs were aware of its mark much before 2020, as reflected in the examination search



report dated 02.07.2001, and therefore, denied any infringement or passing off. It was lastly stated that the suit was not validly instituted, as Mr. Swapnil Mishra was not competent to file it on behalf of the plaintiffs.

18. In its reply on merit, the defendant denied using the plaintiff's mark "**MEDILICE**" or that there was any infringement. It stated that its products were completely different and that it had been using the mark *bona fide* since 13.03.2000. The defendant further denied that the plaint was properly signed and verified by Mr. Swapnil Mishra, claiming that he was not competent to do so on behalf of both the plaintiffs. The defendant also argued that the plaintiff was not the true proprietor of the trade mark "**MEDILICE**" and was therefore not entitled to any legal protection. It was denied that the plaintiff had acquired any reputation in the mark and instead it was stated that in fact it was the defendant, who was the registered proprietor of "**MEDILICE**" under Class 16, with applications under Classes 5 and 35 and that were either opposed or still pending. It was further denied that the mark was discovered on a third-party e-commerce site, www.rajved.in, and added that its products were entirely different, being ayurvedic in nature, made from natural ingredients like *jadibuties* and oils. The defendant therefore asserted that it had not infringed or passed off the plaintiff's mark and that the plaintiff was not entitled to any relief.



III. THE REPLICATION OF THE PLAINTIFF/ RESPONDENT

19. In response to the defendant's written statement, the plaintiff submitted that the relationship between plaintiff no. 1 and plaintiff no. 2 had been duly explained, stating that both entities are sister concerns and part of one corporate group. The incorporation details of plaintiff no. 1 from the Ministry of Corporate Affairs website and the partnership deed of plaintiff no. 2 were placed on record to establish this relationship. It was further submitted that both parties cater to the same class of consumers, as the products of the plaintiffs and the defendants serve the identical purpose of treating lice and are sold over-the-counter as cosmetic products through the same trade channels and modes of purchase. The plaintiffs denied the defendant's claim of using the mark "MEDILICE" since 2000, asserting that the defendant had not filed any document evidencing such use, and that the documents produced only dated back to 2011. The plaintiffs also asserted that the difference in packaging alone was not sufficient to distinguish the two marks.

IV. MISCELLANEOUS APPLICATION BEFORE THE LEARNED DISTRICT JUDGE

20. The plaintiff during the pendency of the suit, filed three applications dated 16.07.2022 - (i) under Order XI Rule 1(4) of CPC for substitution of authorised representative, (ii) under Order I Rule 10 for deletion of plaintiff no. 2, and (iii) under Order XI Rule 1(4) for putting on record additional documents. The first two applications were allowed by the learned District Judge by order dated 18.07.2022 and the



third application under Order XI Rule 1(4), was also subsequently allowed *vide* an order dated 13.09.2022.

V. ISSUES

21. From the pleadings of the parties, the following issues were framed by the learned District Judge on 04.05.2022:

1. *Whether the plaintiff is entitled for permanent injunction restraining the defendant / its agents, etc. from infringing the plaintiff's trade mark MEDILICE as alleged? (OPP)*
2. *Whether the plaintiff is entitled for decree for permanent injunction restraining the defendant for passing off their goods as plaintiff's goods by using trademark MEDILICE? (OPP)*
3. *Whether the plaintiff is entitled for rendition of accounts? (OPP)*
4. *Whether the plaintiff is entitled for order against defendant regarding delivery of infringing goods using the trade mark MEDILICE? (OPP)*
5. *Whether there is no cause of action? (OPD)*
6. *Whether the plaintiff has concealed material facts? (OPD)*
7. *Whether the AR of the plaintiff is not an authorized person to file the present suit (OPD).*
8. *Relief.*

22. Subsequently, the defendant filed an application under Order XIV Rule 5 to frame an additional issue, which was allowed *vide* an order dated 13.09.2022 and as such an additional issue was framed under issue 7, as issue no. 7-A:

“7-A. Whether the present suit is not maintainable on the grounds of undue delay and acquiescence as alleged? (OPD)”

VI. THE EVIDENCE LED BY THE PARTIES

23. The plaintiff in order to prove its case examined three witnesses, namely PW-1, Shri Rajinder Prasad, who exhibited all the documents



filed by the plaintiffs, PW-2, Shri Shailender Kumar Singh, claimed to be in the production department of the plaintiffs who stated that their company had obtained the license to manufacture the product under the brand “**MEDILICE**” in 1998 and their product was sent to various doctors for trial in September/October, 1998. PW-3, Shri Vipin Verma, who is a physician, who stated that since the year 1990, the representative of Wings Group had been visiting his clinic for the purpose of promotion and in the year 1998, and he was handed over about 90 bottles of “**MEDILICE**” anti-lice as free samples and he used to regularly prescribe the same to his patients, because of the positive feedback received by him.

24. The defendant examined DW-1, Shri Kirit Bhadiadra as its sole witness, who proved the various documents filed by them.

VII. IMPUGNED JUDGMENT

25. After hearing both the parties, the court decided issue no.1(relating to permanent injunction due to infringement of trade mark) in favour of the plaintiff. It held that since the defendant had itself applied to register the mark “**MEDILICE**,” it could not later claim the mark was descriptive. The court recognized the plaintiff as the valid registered owner of the mark under Class 3 and found the assignment in its favour as proper and it went on to hold that as both parties sold similar anti-lice products through the same trade channels, there was a clear likelihood of consumer confusion. Further, it was held that the plaintiff’s invoices proved continuous use of the impugned trade mark



since 2004, while the defendant could not substantiate its claimed use from 2000. Thus, the defendant's use of an identical mark for similar goods amounted to infringement.

26. Issue no.2 was also decided in favour of the plaintiff. The Court found that the plaintiff had proved prior use of the mark through undisputed sales invoices since 2004. In contrast, the defendant failed to prove actual use from 2000. The learned District Judge noted that merely holding a manufacturing license did not prove trade mark use. Given the plaintiff's established goodwill and reputation, it was held that the defendant's use of the same mark appeared to be an attempt to ride on that goodwill, constituting passing off.

27. The learned District Judge ruled issue no. 3 in favour of the plaintiff, holding that since infringement and passing off were already proved, the plaintiff was entitled to an account of profits. The learned District Judge also held that the defendant failed to produce its financial records despite a court order. The learned District Judge drew an adverse inference for withholding evidence and, relying on some precedents awarded punitive damages of Rs. 10,00,000 /- instead of account of profits.

28. Issue no. 4 was also decided in favour of the plaintiff. Following the findings of infringement and passing off, the learned District Judge directed the defendant to hand over all infringing goods, packaging, and promotional materials bearing the trade mark for destruction or erasure.



29. As regard to issue no.5, the same was also decided against the defendant on the ground that infringement and passing off were proved against them. The learned District Judge went on to hold that the plaintiff had a valid cause of action, and the defendant failed to show otherwise.

30. Issue no. 6 was also decided against the defendant. The learned District Judge rejected the defendant's claim that the plaintiff had concealed knowledge of its mark. It clarified that a routine or "cyclostyled" response to an examination report could not affect substantive legal rights. The principle of estoppel was found inapplicable because the plaintiff's statement was made to the Trade Marks Registry, not to the defendant.

31. The learned District Judge ruled issue no. 7 against the defendant. The plaintiff's witness (PW-1) produced a valid Board Resolution showing his authority as Director and confirmed that he had authorized Mr. Swapnil Mishra to file and sign the suit. Since the defendant did not challenge this during cross-examination, it was deemed admitted.

32. Issue no. 8 was also decided against the defendant. The learned District Judge found no delay in approaching the Court, since the suit was filed soon after the plaintiff discovered the defendant's product online in July 2020. It held that a mere mention of a mark in the Registry does not prove actual market use. The learned District Judge further observed that silence or inaction is not acquiescence unless it involves a positive act of encouragement, which was not the case here. The learned District Judge decreed the suit in favour of the plaintiff and



while granting the relief of permanent injunction, also granted punitive damages of Rs. 10,00,000/-.

33. Aggrieved by the impugned judgment of the learned District Judge, the defendant brings the present appeal before this Court.

VIII. PROCEEDINGS BEFORE THIS COURT

Submissions of learned senior Counsel for the defendant, i.e. the appellant before this Court

34. Mr. J. Sai Deepak, the learned Senior Counsel appearing on behalf of the defendant, submitted that the defendant was the prior user of the trade mark “**MEDILICE**”, having continuously used the said mark since 13.03.2000. It was submitted that, therefore, there arises no question of the defendant attempting to ride upon the goodwill of the plaintiff or passing off its goods as those of the plaintiff. The learned Senior Counsel contended that the learned District Judge erred in considering the defendant’s trade mark application for “**MEDILICE LICE KILLER**”, wherein the user claim from 13.03.2000 was expressly stated and duly supported by a user affidavit, which stands admitted on record.

35. The learned Senior Counsel further submitted that the defendant’s user affidavit filed before the Trade Marks Registry, affirming continuous use of the mark “**MEDILICE LICE KILLER**” since 13.03.2000, stood duly admitted on record and was never



challenged by the plaintiffs. It was contended that this affidavit, supported by documentary evidence of user, carried evidentiary value under Rule 25 of the Trade Marks Rules read with Section 22 of the Act. The learned Senior Counsel argued that the trial court failed to properly appreciate this affidavit, which clearly demonstrated the defendant's *bona fide* and prior adoption of the trade mark.

36. It was further submitted that the plaintiffs were well aware of the defendant's mark, as it had been cited in the examination report issued by the Trade Marks Registry. It was vehemently argued by the learned Senior Counsel, highlighting the response to the examination report, wherein the plaintiffs had themselves taken a stand that the marks in question were entirely different and that there existed no likelihood of confusion between the marks of the plaintiff and the defendant. The learned Senior Counsel submitted that this response cannot be dismissed as a mere cyclostyled reply, as it reflected a conscious application of mind by the plaintiffs, a fact overlooked by the learned District Judge in the impugned judgment.

37. The learned Senior Counsel further submitted that subsequent to the filing of the plaint suit, the plaintiffs have changed their product packaging and have started selling their product under the name "Hair Shield", which mentions that it was previously sold as "**MEDILICE**". It was further submitted that the plaintiffs initially applied for registration of their product under Class 5, treating it as a medicated drug containing Permethrin. The very document relied upon by the plaintiffs to show user is, in fact, an application to the Drug Controller, which cannot substitute proof of trade use.



38. It was next submitted that the plaintiffs have taken inconsistent stand during trademark prosecution. Their first application under Class 5 was filed on a “proposed to be used” basis and later abandoned, the second application under Class 5 claimed user from 11.12.2000, while their subsequent Class 3 application claimed user from 29.04.2011, however, in the suit, the plaintiffs have stated use since 1998. It was submitted that the dates mentioned in the trade mark application were inadvertently wrong, which, was never corrected. The learned Senior Counsel submitted that the defendant’s mark, on the other hand, has been consistently claimed and supported with evidence since 13.03.2000, but this was not duly appreciated by the learned District Judge.

39. It was further submitted that the prosecution history of the plaintiffs’ applications, though pertaining to Class 5, is equally relevant while examining the Class 3 registration, since the product in question remains the same. The learned Senior Counsel argued that if the plaintiffs claim that their products under Class 3 are allied and cognate to those under Class 5, then their own prosecution history becomes binding and relevant. Conversely, if the plaintiffs seek to distinguish between the two classes, then no claim for infringement can lie. It was submitted that the defendant, being engaged in the sale of products under Class 5, is entitled to the benefit of this distinction.

40. It was also submitted that under Rule 25 of the Trade Marks Rules read with Section 22 of the Act, where prior use of a mark is claimed, an applicant is required to file an affidavit of use with



supporting documents. No such affidavit or correction was made by the plaintiffs in their applications.

41. The learned Senior Counsel further submitted that the impugned judgment failed to deal with the documents admitted on record. The defendant had proved the status pages of its trade mark “**MEDILICE**” under Class 5 bearing nos. 909334 (dated 13.03.2000), 2771629 (dated 10.07.2014), and 4062424 (dated 21.01.2019), through its evidence affidavit and while this has been mentioned in the impugned judgment, the same were not duly dealt with.

42. It was submitted that the learned District Judge erred in awarding punitive damages of Rs. 10,00,000/-, despite there being no prayer for damages in the plaint, which only sought rendition of accounts valued at Rs. 3,00,000/- (for the purpose of court fee and jurisdiction). It was submitted that the defendant had already filed its accounts for the relevant period through additional documents, and the impugned judgment’s reliance on the *Microsoft Corporation v. Deepak Raval*², which was an *ex parte* decision, was entirely misplaced. Further, it was submitted that in the plaint, the plaintiff had themselves valued the relief of rendition of accounts at Rs. 3,00,000/- for the purpose of court fee and jurisdiction.

43. The learned Senior Counsel submitted that the impugned judgment has failed to deal with the reasoning in *Raman Kwatra and Anr v. KEI Industries Limited*³. On the aspect of prosecution history

² 2006 SCC OnLine Del 1670

³ 2023 SCC OnLine Del 38



and the principles of approbate and reprobate, it was submitted that the learned District Judge has erred in its application of the principle. The learned Senior Counsel submitted that estoppel operates *qua* parties, while approbate and reprobate applies *qua* position. In the present case, the plaintiffs had taken a definitive position before the Trade Marks Registry regarding the defendant's mark, which carries greater weight than the general principle of approbate and reprobate. Accordingly, the learned District Judge's failure to appreciate *Raman Kwatra (supra)* was misplaced.

44. The learned Senior Counsel placed reliance on the decision in *Pernod Ricard India (P) Ltd. v. Karanveer Singh Chhabra*⁴, particularly paragraphs 45, 46, and 54, where it was held that even though the products were of a similar nature, the packaging was materially distinct. The learned Senior Counsel thus emphasized that the standards under Sections 11 and 29 of the Act are equivalent, and that the prosecution history of a mark must be applied uniformly to both.

Submissions of learned Counsel for the plaintiff, i.e., the respondent in this Court

45. Mr. Sachin Gupta, learned Counsel for the plaintiff submitted that the defendant has not disputed that the product in question is a shampoo, falling squarely within Class 3. The plaintiff's registration no. 2845331 in Class 3 was applied for in 2014, claiming usage since 2011, whereas



the first application under no. 1022531 filed in 2001 has since been validly assigned in favour of the plaintiff.

46. The plaintiff submits that it has acquired substantial reputation and goodwill in its registered trademark “**MEDILICE**”, and the rival marks are phonetically, visually and structurally identical. Further, it was submitted that the decision in *Raman Kwatra (supra)*, has no application to the facts of the present case.

47. It was contended that the defendant’s first application dated 13.03.2000 under no. 909334 was abandoned, and all subsequent applications merely repeated the same user date without any evidence of actual use. On the other hand, the plaintiff has proved continuous and *bona fide* use since 2004 through invoices and sales figures. The defendant’s alleged invoices from 2007 onwards were never proved, and its affidavit of sales remained unsubstantiated.

48. It was further submitted that application no. 406424 filed by the defendant has also been abandoned, thereby extinguishing whatever rights, if any, were claimed under it. Consequently, the affidavit filed in support of the abandoned application cannot be relied upon.

49. The learned Counsel sought to highlight the cross-examination of DW-1, wherein according to him, it has been admitted by the defence witness that pharmaceutical and medicinal preparations include ayurvedic products and that the defendant could not produce its affidavit or accounts, despite a specific order dated 17.03.2023 directing such production. The defendant’s failure to produce these documents



warranted the learned District Judge's conclusion that damages were liable to be granted.

50. On the issue of estoppel, the learned Counsel for the plaintiff submitted that the principle of approbate and reprobate is not attracted in the present case. The alleged admission that the marks were not deceptively similar was made by the plaintiff's predecessor in title and not by the present plaintiff. Further, it was submitted that the alleged statement was made before the Trade Marks Registry and not to the defendant. Therefore, none of the conditions under Section 115 of the Indian Evidence Act, 1872⁵, relating to representation, reliance, alteration of position, or resulting prejudice, stand fulfilled. Further reliance was placed on *Pratima Chawdhury v. Kalpana Mukherjee*⁶, to contend that estoppel has no application to the present case.

51. It was submitted that whether two marks are deceptively similar is a matter of law and judicial inference is to be determined by the Court from the standpoint of an average consumer with imperfect recollection. Such determination is not dependent on witness testimony or replies before the Registrar. The replies to the examination reports are cyclostyled responses and cannot be construed as binding admissions.

52. It was further submitted that the reliance of the defendant on *Raman Kwatra (supra)* is wholly misplaced. It was contended that the

⁵ "Evidence Act" hereinafter

⁶ AIR 2014 SC 1304



said judgment arose out of an order and not post-trial proceedings. Moreover, in that case, the party had obtained registration by asserting that the rival mark was dissimilar. In the present case, the plaintiff has obtained no benefit from any such assertion. The plaintiff's application under no. 2845530, in whose examination report the defendant's mark was cited, was refused, and the present proceedings concern a different registration under no. 2845331, in which the defendant's mark was never cited. Thus, there is no inconsistency or contradictory stand.

53. The plaintiff further submitted that the defendant's application no. 4062424 was abandoned after opposition by the plaintiff, thereby resulting in the defendant's complete abandonment of any alleged rights.

54. With respect to the defendant's registration in class 16, the learned Counsel for the plaintiff stoutly contended that the defendant is not dealing in goods under the said class but in ayurvedic oils, which are allied and cognate to shampoos falling within Class 3 and 5 and as such relied on the cross-examination of DW-1, wherein he admitted that both the competing products serve the same purpose, removal of lice, and are sold from the same trade counters. Thus, according to him, the defendant's registration under Class 16 cannot act as a defence to infringement.

55. The learned Counsel also relied on *Midas Hygiene Industries Pvt. Ltd. v. Sudhir Bhatia*⁷, to contend that once the plaintiff is a



registered proprietor, injunction must follow, and delay, if any, is no defense. The plaintiff has proved continuous and extensive use of the impugned mark, since 2004 through invoices (Ex. PW-1/18) from multiple states, including Jammu & Kashmir, Himachal Pradesh, Haryana, Punjab, Maharashtra, Gujarat, Chhattisgarh, Madhya Pradesh, Chennai, Kerala, and Assam, and audited sales figures showing turnover exceeding Rs. 6 crores in 2019–20. The defendant's alleged invoices from 2007 onwards were never proved, and therefore its claim of prior use is untenable.

56. On the issue of acquiescence, the plaintiff submits that mere delay or silence does not constitute acquiescence unless there is positive encouragement, which is absent in the present case. With regard to the assignment of rights, the plaintiff submits that the defendant has not raised any valid objection nor shown any reason to question the legality of the assignment in the plaintiff's favour.

57. The plaintiff further contends that reliance on *Nandhini Deluxe v. Karnataka Cooperative Milk Producers Federation Ltd.*⁸ was misplaced as that case arose in the context of opposition proceedings before the Registrar and not in a post-trial infringement suit.

58. Finally, it was submitted that both products, shampoo and oil, are intended for the same purpose, namely the removal of lice. Any minor difference in packaging cannot serve as a valid defence, as the overall impression created by the identical word mark “**MEDILICE**” is bound



to cause confusion and deception among consumers of average intelligence and imperfect recollection.

Rejoinder submissions of the learned senior Counsel for the defendant (appellant)

59. It was rebutted by the learned Senior Counsel for the defendant that the principle of prosecution history estoppel is not confined to the interim stage alone, its consequences extend to the post-trial stage as well, unless the party is able to satisfactorily explain the conduct during trial. Reliance was placed on judgment titled *Vasundhara Jewellers Pvt. Ltd. v. Kirat Vinodbhai Jadvani*⁹, to emphasize that prosecution history estoppel is a form of the doctrine of approbate and reprobate and cannot be brushed aside as a mere cyclostyled argument. The learned senior counsel for the defendant distinguished *Anil Verma v. R.K Jewellers SK Group*¹⁰, noting that unlike in that case where the plaintiff's reply to the examination report showed non-application of mind, here the statements made during prosecution were deliberate and relevant.

60. It was further submitted that the defendant's mark had been cited against the plaintiff's earlier application in 2001, which the plaintiff subsequently abandoned, demonstrating knowledge of the defendant's mark since then. Despite this, the plaint suit was filed only in 2020. The defendant clarified that prosecution history estoppel is distinct from

⁹ 2022 SCC OnLine Del 3370
¹⁰ 2019 SCC OnLine Del 8252



Section 115 of the Evidence Act, which applies to *inter se* transactions, whereas statements made during the prosecution of an *in rem* right have wider implications affecting third parties. It was submitted that the reliance on ***Pratima Chaudhary (supra)*** was misplaced, as that case pertains to the transfer of property and not to intellectual property matters, where the considerations differ significantly. It was further submitted that the relevant documents have been duly proved, as acknowledged in the impugned judgment. The user affidavit on record reflects continuous use and figures since 2000, although invoices were lost in the Mumbai floods and have therefore not been produced and submits that the defendant produced a newspaper advertisement showing his declaration of the same.

61. The defendant further submits that the licensing of the mark stands admitted and thus proved.

Rejoinder submissions of the learned Counsel for the plaintiff (respondent)

62. The learned Counsel for the plaintiff has rebutted that the manufacturing licenses shown by the defendant do not prove use. The defendant has not produced invoices and has taken the position that they have gone in the flood, whereas the manufacturing license still stands with the defendant, and therefore an adverse inference needs to be drawn against them.



63. The defendant's application that was cited in the examination report was on a "proposed to be used" basis, and therefore it was argued that it is not possible to go after such applicants. It was further argued that the figures shown in the user affidavit cannot stand to be proved.

IX. REASONING AND ANALYSIS

64. We have heard the learned Counsels for both parties and examined the material on record. Since the present appeal is a regular first appeal, at the outset, we deem it necessary to delineate the points for determination in terms of Order XLI Rule 31 of the CPC. Thus, in view of the submissions of the parties, this Court enumerates the points that arise for determination in the present case, as follows:

- (i) Whether the respondent/plaintiff succeeded in making out a case of infringement against the appellant/defendant before the learned District Judge?
- (ii) Whether the respondent/plaintiff succeeded in making out a case of passing off the products of the appellant/defendant as the products of the respondent/plaintiff?
- (iii) Whether the civil suit ought to have been dismissed on the ground of delay, laches and/or acquiescence?
- (iv) Whether the appellant/defendant is liable for any punitive damages or rendition of accounts?

ISSUE (i): INFRINGEMENT

65. In the present case, the plaintiff asserts use of the trademark "MEDILICE" for an anti-lice shampoo under Class 3 and holds a registered trademark bearing registration no. 2845531 in the said class.



66. On the other hand, the defendant holds a registration for the trademark “**MEDILICE**” in Class 16, bearing registration no. 4290825 dated 12.09.2019, in respect of labels, bags, articles for packaging, wrapping and storage of paper or plastics. The defendant further claims that they had applied applications for registration of the mark “**MEDILICE**” under Classes 5 and 35 which stands objected to / opposed / pending.

67. Since both parties hold registrations in their respective classes, it is undoubted that the scope of statutory protection is confined to the goods/services for which the trademark is registered. A registration obtained in one class does not, by itself, confer any right to use the mark in relation to goods or services falling in another class, particularly where such goods or services are dissimilar.

68. With regards to infringement, Section 29 of the Act encapsulates the legal framework regarding infringement of registered trademarks. Thus, for a clearer understanding of Section 29, reference can be made to the decision of this Court, in the matter of *Modi-Mundipharma Pvt. Limited v. Speciality Meditech Pvt. Ltd. & Anr.*¹¹, wherein this Court discussed the law relating to trademark infringement in the following words, which makes for an interesting read:

“25.1.2 Infringement is defined in Section 29 of the Trade Marks Act, specifically in sub-sections (1) to (5), (7) and (8)42 thereof. In each case, infringement can only be of a registered trade mark.



Registration of the plaintiff's trademark is, therefore, mandatory for the plaintiff to be entitled to institute an action for infringement.

25.1.3 Section 29(1) generally treats, as infringement, use, in the course of trade, by the defendant, of a mark which is identical with, or deceptively similar to, the plaintiff's registered trade mark, in relation to the goods or services in respect of which the trademark is registered in the plaintiff's favour, in such a manner as to render the use likely to be taken as a trademark. Section 29(1) would apply, therefore, only where the use of the infringing trademark by the defendant is in relation to the goods or services in respect of which the trademark is registered in favour of the plaintiff.

25.1.4 Section 29(2) which is the provision which most commonly applies, envisages three situations in which infringement can be said to have taken place.

25.1.5 Section 29(2)(a) applies where the rival marks are identical, but the goods or services in respect of which they are used are not identical, but similar. Section 29(2)(b) applies where the rival marks are not identical, but only similar, and the goods or services in respect of which they are used are either identical or similar. Section 29(2)(c) applies where the rival marks are identical, and are used in relation to identical goods or services. In each of these situations, where the nature of the rival marks, and the nature of the goods or services, in respect of which they are used, is likely to cause confusion on the part of the public or a presumption of an association between the plaintiff and the defendant, infringement is said to have taken place.

25.1.6 Thus, for infringement to have taken place within the meaning of Section 29(2), three factors must be found to co-exist. There must be (i) identity or similarity of the rival marks, (ii) identity or similarity of the goods or services in respect of which the rival marks are used, and (iii) resultant likelihood of confusion or of assertion between the two marks in the minds of the public.

25.1.7 Section 29(3) caters to a situation in which Section 29(2)(c) applies, i.e., where the rival marks, as well as the goods or services in respect of which the rival marks are used, are identical. In such a circumstance, Section 29(3) ordains that likelihood of confusion in the minds of the public would be presumed.

25.1.8 Section 29(4) applies in a situation where three circumstances, envisaged in clauses (a) to (c) of the sub-section, are simultaneously present. Clause (a) requires the rival marks to be identical or similar, clause (b) requires that the goods or services in



respect of which the rival marks are used are not similar and clause (c) requires the plaintiff's marks to have a reputation in India and the use, by the defendant, of the impugned mark to be without due cause and to result in unfair advantage of, or be detrimental to, the distinctive character and repute of the plaintiff's registered trademark. Thus, Section 29(4) would apply where there is no similarity or identity between the goods and services in respect of which the rival marks are used; in other words, it would cater to a situation which does not fall within any of the three clauses (a) to (c) of Section 29(2). Even in such a case, if the plaintiff's mark is reputed, and the use of the defendant's mark without due cause results in unfair advantage or detriment to the plaintiff's mark, a case of infringement would be made out.

25.1.9 Section 29(5) applies where the rival marks are identical. For the provision to apply, the defendant must use the plaintiff's registered trademark as the defendant's trade name, part of the defendant's trade name or business concerned or part thereof, in relation to the goods or services in respect of which the trademark is registered in favour of the plaintiff. This, therefore, is a simple case of poaching of a registered trademark, where one person misuses the registered trademark of another, in respect of the goods or services for which the mark is registered, as part of his own trade name or business concern.

25.1.10 Section 29(7) deals with use of a registered trademark, labelling or packaging material, as a business paper or for advertising goods or services, by a defendant who was aware of the fact that such use was not permissible

25.1.11 Section 29(8) explains the circumstances in which infringement by advertising of a registered trademark can be said to have taken place.

25.1.12 Section 29(9) clarifies that infringement need not always be in writing or by visual representation but could also be by spoken use of the words which constitute part of the infringed trademark."

69. Thus, as evident from the abovementioned excerpt and after going through the relevant provision, we find that Section 29 of the Act deals with the statutory provision defining infringement of a trademark, sub-Section (2) is the most frequently invoked provision in disputes of trademark infringement. It lays out three different situations wherein



infringement might take place; Clause (a) stipulates instances in which competing marks are identical but used for similar but not identical goods or services. Clause (b) is applicable when rival marks are not identical but similar and the goods or services in which they are used are similar or identical. Clause (c) pertains to instances where both the goods or services and the marks are identical. In our understanding, in the present case, Section 29(2) (b) would be applicable, as the competing marks are similar, namely “**MEDILICE**” and “**MEDILICE LICE KILLER**” and both are used in relation to similar goods i.e., hair shampoo and hair oil, both of which are hair-care products intended for the treatment of lice.

70. Thus, in order to establish infringement in the present case, it must be shown that (i) the rival marks are identical or similar; (ii) the goods or services in respect of which the marks are used are identical or similar; (iii) the use of the impugned mark is likely to cause confusion or deception in the mind of a consumer of average intelligence and imperfect recollection.

71. Applying the aforesaid test, we find that the learned District Judge rightly observed and applied the principles governing infringement and held that there exists an overlap between the competing products of both parties, i.e., “**MEDILICE**” (an anti-lice shampoo) and “**MEDILICE LICE KILLER**” (an anti-lice ayurvedic oil) for the reason that both products are intended to address the same consumer need. The mere difference in form or composition of the products does not detract from the similarity of their purpose, use, and target consumer base.



72. We further note that the plaintiff sells anti-lice shampoo whereas the defendant manufactures and sells anti-lice ayurvedic oil. Notwithstanding that the products may fall under different classes, both serve the same therapeutic purpose, i.e., a remedy to hair lice. It is also borne out from the evidence on record that DW-1, during cross-examination, deposed to the effect that both the goods cater to the same purpose and are sold from the same retail counter. In these circumstances, there exists a likelihood of confusion in the mind of consumer of average intelligence with an imperfect recollection, as regards the origin and source of the competing products since both are sold under the similar mark “**MEDILICE**” and “**MEDILICE LICE KILLER**” and are intended for the same use.

73. Further, as the competing products cater to consumers seeking medicinal relief, this Court finds it necessary to place reliance on the decision of the Hon’ble Supreme Court in *Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd.*¹² wherein it was held that a stricter standard of scrutiny applies while assessing deceptive similarity in cases involving medicinal products because even a modicum of confusion could lead to severe side-effects on the health of consumers, who are patients in need of medical care in case of medicinal products. In the present case, we find that the products in question deal with the treatment of lice and thus, the interest of consumer and the likelihood of confusion cannot leave our mind. Even though the plaintiff, in its reply to examination report, had stated that their products were distinct



and there was no likelihood of confusion with the products of the defendant, such a statement cannot dilute the duty of the Court to independently assess the potential for confusion. The importance of clearly distinguishing the medicinal products cannot be ignored due to the reply to the examination report, as confusion between the competing marks in the present case may lead to consequences extending beyond inconvenience and into the realm of consumer safety. Thus, in our view, stricter scrutiny is required in the present case due to its direct bearing on consumer health.

74. Applying the aforesaid standard of scrutiny to the rival marks, it becomes evident that the competing trademarks of the parties are deceptively similar. Both the plaintiff and the defendant uses the identical and dominant word “MEDILICE”, which constitutes the source-identifying feature of their trademarks. The addition of the descriptive expression “LICE KILLER” by the defendant does not sufficiently distinguish the impugned mark, particularly when the marks are used in relation to products intended for the same therapeutic purpose. In the context of medicinal and therapeutic products, such similarity is sufficient to give rise to a likelihood of confusion.

75. In view of the aforesaid discussion, it can be concluded that the defendant has adopted and used the similar mark “**MEDILICE LICE KILLER**” in relation to anti-lice hair-care products, which are allied and cognate to the plaintiff’s anti-lice shampoo, cater to the same consumer base, and are sold through identical trade channels. Further, the commonality of the mark, coupled with the similarity in purpose



and use of the products, is clearly sufficient to cause confusion or deception as to trade origin in the mind of a consumer of average intelligence with imperfect recollection. Accordingly, the plaintiff has succeeded in establishing infringement of its registered trademark under Section 29(2) of the Act.

76. That being said, the learned Counsel for the defendant in the present appeal has raised the defence of prior use of the mark “MEDILICE”. It was contended that the learned District Judge erred in not recognizing the defendant as a prior and *bona fide* user of the mark “MEDILICE” since 11.12.2000 for its ayurvedic oil. The learned Counsel for the defendant sought to rely on the grant of a manufacturing licence and admitted user affidavit to assert such prior use, contending that the same predates the earliest sales invoices produced by the plaintiff from the year 2004.

77. Thus, in order to address the aforesaid contention, we deem it appropriate to first understand the law governing the determination of prior usage in cases where there are two registered rival marks.

78. Contemporarily, the law is well-settled that the party who is able to establish prior commercial use of the mark is entitled to preference over a subsequent user or registrant. In *S. Syed Mohideen v. P. Sulochana Bai*¹³, the Supreme Court held that the rights conferred by registration are subject to the rights of prior user. Hence, it is crystallized that trademark law in India accords primacy to use over



registration, and the rights of a *bona fide* prior user prevails over that of any subsequent registrant, irrespective of the latter's statutory rights conferred by the registration.

79. It is also equally settled that in disputes involving rival claims of prior use, mere assertions on prior use cannot serve as cogent proof to establish priority.

80. In the present case, as is apparent through material on record, the plaintiff has produced audited sales figures from 2000-2021, along with invoices evidencing continuous commercial sales across several States in India since 2004. On the other hand, it was only at the stage of written submissions before the learned District Judge that the defendant claimed prior use of the mark "**MEDILICE**".

81. Thus, on determination of prior user, we concur with the finding of learned District Judge that the prior use of the trademark cannot be established merely on the basis of applications for registration, regulatory filings, manufacturing licenses, or sample distributions.

82. We find that the defendant was unable to prove actual and continuous commercial prior use in the marketplace. Therefore, in the present case, the three trademark applications filed by the defendant, along with the user dates stated therein do not establish prior use, as the mere presence of a mark on the Trade Marks Register does not, by itself, demonstrate actual or common use of the mark in the marketplace. We also find that the manufacturing license relied upon only portrays the



permission or the ability to manufacture the product and does not establish actual prior use of the mark.

83. Even assuming that the plaintiff did not dispute the existence of such documents, mere admission of a user affidavit or an application does not *per se* constitute conclusive proof of prior use, especially in the absence of corroborative evidence demonstrating continuous and *bona fide* use of the mark in the marketplace.

84. Accordingly, the plaintiff's admission of user affidavit cannot take precedence over the plaintiff's cogent evidence of continuous commercial sales from 2004. Therefore, in our view, learned District Judge rightly placed reliance on plaintiff's invoices from 2004 onwards to conclude that the plaintiff is the prior user of the mark "MEDILICE".

85. Pertaining to the submission of learned Senior Counsel that the invoices 2007 onwards ought to be appreciated without prejudice, this Court finds that even if such invoices are relied upon and accepted, they do not predate the plaintiff's established commercial use commencing from 2004. Accordingly, these invoices cannot alter the priority established in favour of the plaintiff since the year 2004.

86. Hence, the grant of permanent injunction in favour of the plaintiff stands justified.



ISSUE (ii): PASSING OFF

87. It is well-settled that an action for passing off is rooted in common law and cannot be sustained merely on the basis of similarity of marks or trade dress. An action of passing off lies in misrepresentation, whereby one proprietor's goods are mistaken for those of another, thereby causing injury to the latter's goodwill. Therefore, our focus is not confined to likelihood of confusion, but on whether the similarity between the marks results in a misrepresentation whereby one product is mistaken for the other. For a relief of passing off, the plaintiff, firstly ought to establish the existence of goodwill or reputation in the mark, then shall prove the misrepresentation by the defendant leading or likely to cause confusion among the public, and may also prove the consequent damage to the plaintiff's business or goodwill. The burden lies on the plaintiff to adduce clear and affirmative evidence in support of the plea of passing off and its resultant impact. This Court in ***FDC Ltd. v Faraway Foods (P) Ltd***¹⁴, where one of us was a member (C. Hari Shankar, J) laid down following ingredients for any passing off action:

“(i) Passing off, though an action based on deceit, does not require the establishment of fraud as a necessary element to sustain the action. Imitation or adoption, by the defendant, of the plaintiff's trade mark, in such manner as to cause confusion or deception in the mind of prospective customers, is sufficient.

(ii) The principles for grant of injunction, in passing off actions, are the same as those which govern the grant of injunctions in other cases i.e. the existence of a prima facie case, the balance of convenience, and the likelihood of irreparable loss in issuing to the plaintiff, were injunction not to be granted.



(iii) **Proof of actual damage is not necessary, to establish passing off.** However, proof of Misrepresentation is necessary, even if intent to misrepresent is not approved. The question of intent may, nevertheless, be relevant, when it comes to the ultimate relief to be granted to the plaintiff.

(iv) Passing off may be alleged by a claimant who owns sufficient proprietary interest in the goodwill associated with the product, which is really likely to be damaged by the alleged misrepresentation.

(v) Grant of injunction, in cases where passing off is found to exist, is intended to serve two purposes, the first being preservation of the reputation of the plaintiff, and the second, safeguarding of the public against goods which are passed off as those of the plaintiff.

(vi) The ingredients/indicia of the tort of passing off are the following:

(a) There must be sale, by the defendant, of goods/services in a manner which is likely to deceive the public into thinking that the goods/services are those of the plaintiff.

(b) The plaintiff is not required to prove long user to prove established reputation. The existence, or otherwise, of reputation, would depend upon the volume of the plaintiff's sales and the extent of its advertisement.

(c) The plaintiff is required to establish:

(i) Misrepresentation by the defendant to the public, though not necessarily mala fide;

(ii) Likelihood of confusion in the minds of the public (the public being the potential customers/users of the product) that the goods of the defendant are those of the plaintiff, applying the test of a person of "imperfect recollection and ordinary memory."

(iii) Loss, or likelihood of loss.

(iv) Goodwill of the plaintiff, as a prior user.

Elsewhere, the five elements of passing off have been identified as:

(a) misrepresentation; (b) made by the trader in the course of trade; (c) to prospective customers or ultimate consumers of the goods or services supplied by him; (d) calculated to injure the business or goodwill of another (i.e. that such injury is reasonably foreseeable); and (e) actual damage, or the possibility of actual damage, to the business or goodwill of the plaintiff.

(x) Passing off differs from infringement. Passing off is based on the goodwill that the trader has in his name, whereas infringement is based on the trader's proprietary right in the name, registered in his favour. Passing off is an action for deceit, involving passing off the goods of one person as those of another, whereas an action for infringement is a statutory remedy conferred on the registered



proprietor of a registered trade mark for vindication of its exclusive right to use the trade mark in relation to the goods in respect of which registration has been granted. Use of the trade mark by the defendant is not necessary for infringement, but it is a sine qua non for passing off. Once sufficient similarity, as is likely to deceive, is shown, infringement stands established. Passing off, however, may be resisted on the ground of added material, such as packing, procurement through different trade channels, etc. which would distinguish the goods of the defendant from those of the plaintiff and belie the possibility of confusion or deception.”

88. On a plain reading of the above excerpt, it is clear that passing off is a broader and more flexible remedy than infringement, inasmuch as it protects commercial goodwill and consumer perception, irrespective of statutory registration. Further, even where infringement is established, an independent assessment of misrepresentation and damage is required for passing off. Conversely, the absence of registration does not bar a passing-off action, provided the plaintiff demonstrates goodwill and reputation in its favour. The focus, therefore, remains on how the mark is perceived in the marketplace and whether the defendant’s conduct amounts to a misappropriation of the plaintiff’s goodwill. The facts of the present case warrant examination of whether the defendant’s use of the mark “**MEDILICE LICE KILLER**”, in relation to anti-lice hair oil, amounts to a misrepresentation likely to cause confusion among consumers and thereby injure the plaintiff’s alleged goodwill in the trademark “**MEDILICE**”.

89. In the present appeal, the learned Senior counsel for the defendant argued that the plaintiff failed to establish any substantial goodwill or reputation in the trademark “**MEDILICE**” with respect to



its specific goods. Reliance in that regard was placed on (i) the testimony of PW-3, who admitted that the product was distributed only on a limited sample basis, and (ii) the 1998 license issued by the Drugs Controller, which, according to the defendant, was confined to testing purposes.

90. However, upon a careful examination of the material on record, we find that the plaintiff placed its sales figures expanding over various locations which shows extensive geographical reach and continuous sales over a period spanning nearly two decades. These sales figures and supporting documents have remained unchallenged, and are sufficient to establish that the plaintiff has acquired substantial goodwill and reputation in the mark “**MEDILICE**”.

91. The ingredients carved out in *FDC Ltd. (supra)* are important and can be applied in the present case. In an action for passing off, one of the material considerations is the class of purchasers likely to buy the goods bearing the competing marks, their level of education and intelligence and the degree of care they are likely to exercise in purchasing and/or using the goods. In the present case, the consumers of anti-lice products are individuals seeking quick remedies, and such purchases are ordinarily made without prolonged deliberation. When assessed from the view of a consumer of average education and intelligence exercise ordinary care, the use of identical marks for products serving the same therapeutic purpose, particularly when sold through identical trade channels, is likely to result in confusion or deception. Given that such products are purchased over the counter and



often without medical supervision, the degree of consumer care is necessarily reduced, thereby enhancing the likelihood of deception.

92. The fact that both products are sold through chemist shops and cosmetic shops, as both are over-the-counter products as admitted by DW-1, heightens the likelihood of confusion. A consumer seeking the plaintiff's "**MEDILICE**" shampoo may encounter the defendant's "**MEDILICE LICE KILLER**" oil and reasonably believe that both emanate from the same source or form part of a same product line. Such an impression is sufficient to amount to misrepresentation in the course of trade, as it conveys a false association or common origin between the competing products, thereby satisfying the misrepresentation element in a passing-off action.

93. As rightly held by the learned Single Judge of this Court *in Honda Motors Co. Ltd. v. Mr. Charanjit Singh And Ors.*¹⁵, in a passing-off action, the plaintiff is not required to prove actual loss. Therefore, once misrepresentation and likelihood of confusion are established, the likelihood of damage to the plaintiff's goodwill follows as a natural and reasonably foreseeable consequence. Although, in the present case, the defendant adopted a similar mark in respect of allied goods sold through same trade channels, therefore, the risk of damage to the plaintiff's goodwill is inherent and self-evident.

94. In light of the aforementioned discussion, this Court concludes that the plaintiff has successfully established the possibility of damage



of its goodwill; and misrepresentation by the defendant through use of an identical mark, and the likelihood of damage to the plaintiff's goodwill, thus successfully establishing a passing off case. The defendant's adoption of the mark "**MEDILICE LICE KILLER**," for allied products has the effect of diluting the plaintiff's mark, causing confusion in the marketplace, and enabling the defendant to benefit from the plaintiff's goodwill and reputation built over the years by huge investment without having to put in the same amount of work.

95. This Court is, therefore, in agreement with the findings returned by the learned District Judge that the plaintiff is entitled to relief(s) on the ground of passing off, and we find no reason to interfere with the conclusions so arrived at.

ISSUE NO. (iii): Delay, laches, and acquiescence

96. The defendant contended that the plaintiff had acquiesced to the defendant's use of the mark "**MEDILICE**" by permitting its alleged long, open, and continuous use since 13.03.2000, evident by multiple trademark applications filed by the defendant, all claiming a prior user date.

97. The learned Counsel for the defendant asserts that the plaintiff had knowledge of the defendant's mark as early as 02.07.2001, when the defendant's "**MEDILICE**" mark was cited in the examination report issued in respect of the plaintiff's application no. 1022531, and again in 2016, when the defendant's application for "**MEDILICE**



LICE KILLER” (No. 2771629) was cited, yet the plaintiff delayed instituting suit until 2020.

98. As per the submissions put forth by the learned Counsel for the defendant, the prolonged delay on the part of the plaintiff, coupled with its responses during prosecution asserting that the cited marks were distinct, demonstrates that the plaintiff merely stood by whilst the defendant invested substantial resources and built goodwill under the mark, thereby, rendering the suit barred by delay, laches and acquiescence.

99. The defendant has anchored its submission on the plaintiff’s alleged knowledge of the defendant’s marks arising from the examination reports in 2001 and 2016 which cited the defendant’s marks as conflicting and further reliance is placed on the plaintiff’s failure to initiate proceedings until the year 2020, when opposition was filed following publication of the defendant’s 2019 application. In support of this contention, reliance was placed on several judicial precedents, including *Wockhardt Ltd. v. Torrent Pharmaceuticals Ltd.*¹⁶

100. In order to examine the aforesaid plea, it is necessary to first advert to the statutory framework governing acquiescence under the Act, as well as the settled principles laid down by the Hon’ble Supreme Court. Under Section 33 of the Act, two statutory conditions must be satisfied for acquiescence to apply. Firstly, the mark sought to be



injunction must be a registered trademark. Secondly, the plaintiff must have acquiesced to the defendant's use of that later-registered mark for a continuous period of five years. Further, Hon'ble Supreme Court in ***Power Control Appliances v. Sumeet Machines Pvt. Ltd.***¹⁷ has observed the following:

"26. Acquiescence is sitting by, when another is invading the rights and spending money on it. It is a course of conduct inconsistent with the claim for exclusive rights in a trade mark, trade name etc. It implies positive acts; not merely silence or inaction such as is involved in laches. In Harcourt v. White Sr. John Romilly said: "It is important to distinguish mere negligence and acquiescence." Therefore, acquiescence is one facet of delay. If the plaintiff stood by knowingly and let the defendants build up an important trade until it had become necessary to crush it, then the plaintiffs would be stopped by their acquiescence. If the acquiescence in the infringement amounts to consent, it will be a complete defence as was laid down in Mouson (J. G.) & Co. v. Boehm". The acquiescence must be such as to lead to the inference of a licence sufficient to create a new right in the defendant as was laid down in Rodgers v. Nowill"

101. Further, In ***Midas Hygiene (supra)***, the Apex Court held as follows:

"The law on the subject is well settled. In cases of infringement either of Trade Mark or of Copyright normally an injunction must follow. Mere delay in bringing action is not sufficient to defeat grant of injunction in such cases."

102. Time and again, this Court as well as the Supreme Court has held that the doctrine of acquiescence requires something more than mere delay to be proved. Mere inaction or negligence is insufficient, as equity requires positive and affirmative acts or conduct rendering it unconscionable for the plaintiff to subsequently assert its rights.



103. Applying the aforesaid principles to the facts of the present case, this Court finds that the defendant has failed to establish the essential ingredients of acquiescence. The reliance placed on the citation of the defendant's marks in examination reports issued in 2001 and 2016 is misplaced. Mere citation of a mark during trademark prosecution proceedings neither establishes actual commercial use in the market nor evidences the level of knowledge required to infer acquiescence.

104. Further, the plaintiff has consistently asserted that it first became aware of the defendant's actual commercial use of the impugned mark only in July 2020, upon publication of the defendant's Application No. 4062424 in the Trade Marks Journal and upon discovering the defendant's products online. Upon such discovery, the plaintiff duly acted by instituting a suit. In these circumstances, mere knowledge of a trademark application or its citation in examination proceedings cannot be equated with acquiescence in market use.

105. Further, the defendant also sought to invoke the principles of estoppel, placing reliance on *Raman Kwatra (supra)*. This contention is devoid of merit. The said decision was rendered at an interlocutory stage where the Court was not called upon to adjudicate the substantive rights of the parties post-trial. Therefore, the observations therein cannot be accorded the same precedential weight in a final determination of rights.



106. Consequently, neither the principle of approbate and reprobate nor the doctrine of prosecution history estoppel can be invoked to the plaintiff's detriment, and *Raman Kwatra (supra)* is inapplicable to the facts of this case.

107. The learned district judge placed reliance on *Hindustan Pencils Pvt. Ltd. v. India Stationary Products Co*¹⁸. and *Dr. Reddy Laboratories Pvt. Ltd. v. Reddy Pharmaceuticals*¹⁹ to hold that a proprietor is not required to chase every infringer at the cost of its business interests and may act when its interests are threatened. Further, following *Emcure Pharmaceuticals Ltd. v. Corona Remedies Pvt. Ltd.*²⁰, the learned Judge observed that acquiescence demands positive encouragement or conduct inconsistent with the assertion of exclusive rights, and mere silence or failure to institute proceedings is insufficient. Therefore, it was held that no such positive acts were proved and the defence of acquiescence/laches was rejected.

108. Hence, in our considered view, we find no infirmity in the conclusion arrived at by the learned District Judge. There exists no legal duty on a proprietor to pursue every purported infringer and no material has been placed on record to showcase "positive encouragement" on the part of the plaintiff to the defendant in the present case. Mere inaction during prosecution proceedings cannot, by itself, operate as a bar to relief.

¹⁸ AIR 1990 Delhi 19

¹⁹ 2013 SCC OnLine Del 3626

²⁰ 2014 SCC OnLine Bom 1064



109. Thus, we concur with the finding of the learned District Judge that no positive encouragement was given to the defendant. The responses of the plaintiff stating that the cited marks were distinct, do not constitute binding conduct or estoppel so as to render it unconscionable for the plaintiff to assert its rights.

110. In our view, the defendant's reliance on *Essel Propack (supra)* and *Wockhardt (supra)* is equally misplaced. Those cases pertain to situations involving prolonged delay coupled with positive conduct inducing reliance, whereas in the present case, neither positive encouragement nor inequitable prejudice has been established, and the plaintiff acted promptly upon actual discovery of the defendant's commercial use. On the contrary, the decisions in *Hindustan Pencils (supra)* and *Dr. Reddy (supra)* support the proposition that a proprietor need not pursue every infringer and that an injunction ought not to be denied where the likelihood of confusion threatens the public interest.

111. We find that the plaintiff's Class 3 registration coupled with the overlapping purpose of the goods, i.e., both being remedies against lice, establishes a clear likelihood of confusion. It is well settled that in cases of infringement, injunctive relief ordinarily follows, and mere delay does not constitute a defence where confusion is likely to occur. Accordingly, on the legal standards for acquiescence namely knowledge, delay, conduct indicating acceptance, and prejudice, the evidence on record falls short of establishing the applicability of the doctrine. Therefore, in our view, the issue regarding delay, laches and acquiescence was correctly decided in favour of the plaintiff and against



the defendant. The findings of the learned District Judge of no acquiescence are hereby affirmed.

ISSUE (IV): DAMAGES

112. Section 135 of the Act empowers a Court to grant relief in cases of infringement or passing off which includes injunction, damages or an account of profits. It is well settled that damages and the relief of rendition of accounts are two alternative reliefs and either of them may be claimed by a plaintiff for disputes involving trademark infringement and passing off. While damages are compensatory in nature, rendition of accounts is an equitable remedy aimed at preventing unjust enrichment by compelling the defendant to disgorge profits earned through infringing use.

113. In the present case, the plaintiff specifically sought rendition of accounts of profits earned by the defendant from the sale of the impugned product “**MEDILICE LICE KILLER**”. The learned District Judge, however, proceeded to award punitive damages of ₹10,00,000/-, principally on the ground that the defendant failed to comply with the Court’s direction to file sales figures and accounts relating to the impugned product.

114. The law relating to the award of damages in trademark infringement and passing off actions, as evolved through judicial precedents, emphasises deterrence and compensation. The punitive element is invoked sparingly, particularly where the defendant’s



conduct demonstrates wilful, deliberate and *mala fide* disregard of judicial directions or repeated infringement is shown. In contrast, where the infringement is a first occurrence and the plaintiff's prayer is limited to rendition of accounts, a calibrated approach is warranted.

115. A learned Division Bench of this Court in *Hindustan Unilever Limited v. Reckitt Benckiser India Limited* ²¹ had discussed the law with regard to the award of punitive damages in intellectual property disputes. The relevant portion for the same is reproduced below:

“67. In India, the Supreme Court has affirmed the principles in Rookes (supra) and Cassel (supra). Interestingly, however, the application in those cases has been in the context of abuse of authority leading to infringement of Constitutional rights or by public authorities (ref. Ghaziabad Development Authority v. Balbir Singh, (2004) 5 SCC 6; Lucknow Development Authority v. M.K. Gupta, 1994 SCC (1) 243). As yet, however, the Supreme Court has not indicated the standards which are to be applied while awarding punitive or exemplary damages in libel, tortuous claims with economic overtones such as slander of goods, or in respect of intellectual property matters. The peculiarities of such cases would be the courts “need to evolve proper standards to ensure proportionality in the award of such exemplary or punitive damages. The caution in Cassel that “[d]amages remain a civil, not a criminal, remedy, even where an exemplary award is appropriate, and juries should not be encouraged to lose sight of the fact that in making such an award they are putting money into a plaintiff’s pocket....” can never be lost sight of. Furthermore – and perhaps most crucially – the punitive element of the damages should follow the damages assessed otherwise (or general) damages; exemplary damages can be awarded only if the Court is “satisfied that the punitive or exemplary element is not sufficiently met within the figure which they have arrived at for the plaintiff’s solatium”. In other words, punitive damages should invariably follow the award of general damages (by that the Court meant that it could be an element in the determination of damages, or a separate head altogether, but never completely without determination of general damages).



68. This court is of the opinion that the impugned judgment fell into error in relying on the decision in *Times Incorporated v. Lokesh Srivastava* 116 (2005) DLT 569. A Single Judge articulated, in his *ex parte* judgment in a trademark infringement action, as follows:

*“This Court has no hesitation in saying that the time has come when the Courts dealing actions for infringement of trade-marks, copyrights, patents etc. should not only grant compensatory damages but award punitive damages also with a view to discourage and dishearten law breakers who indulge in violations with impunity out of lust for money so that they realize that in case they are caught, they would be liable not only to reimburse the aggrieved party but would be liable to pay punitive damages also, which may spell financial disaster for them. In *Mathias v. Accor Economy Lodging, Inc.* reported in 347 F.3d 672 (7th Cir.2003) the factors underlying the grant of punitive damages were discussed and it was observed that one function of punitive damages is to relieve the pressure on an overloaded system of criminal justice by providing a civil alternative to criminal prosecution of minor crimes. It was further observed that the award of punitive damages serves the additional purpose of limiting the defendant’s ability to profit from its fraud by escaping detection and prosecution. If a tortfeasor is caught only half the time he commits torts, then when he is caught he should be punished twice as heavily in order to make up for the times he gets away. This Court feels that this approach is necessitated further for the reason that it is very difficult for a plaintiff to give proof of actual damages suffered by him as the defendants who indulge in such activities never maintain proper accounts of their transactions since they know that the same are objectionable and unlawful. In the present case, the claim of punitive damages is of Rs.5 lacs only which can be safely awarded. Had it been higher even, this court would not have hesitated in awarding the same. This Court is of the view that the punitive damages should be really punitive and not flee bite and quantum thereof should depend upon the flagrancy of infringement.”*

*With due respect, this Court is unable to subscribe to that reasoning, which flies on the face of the circumstances spelt out in *Rookes* and later affirmed in *Cassel*. Both those judgments have received approval by the Supreme Court and are the law of the land. The reasoning of the House of Lords in those decisions is categorical about the circumstances under which punitive damages can be awarded. An added difficulty in holding that every violation of statute can result in punitive damages and proceeding to apply it in cases involving economic or commercial causes, such as intellectual property and not in other such matters, would be that even though statutes might provide penalties, prison sentences and fines (like under the Trademarks Act, the Copyrights Act, Designs Act, etc) and*



such provisions invariably cap the amount of fine, sentence or statutory compensation, civil courts can nevertheless proceed unhindered, on the assumption that such causes involve criminal propensity, and award “punitive” damages despite the plaintiff’s inability to prove any general damage. Further, the reasoning that “one function of punitive damages is to relieve the pressure on an overloaded system of criminal justice by providing a civil alternative to criminal prosecution of minor crimes” is plainly wrong, because where the law provides that a crime is committed, it indicates the punishment. No statute authorizes the punishment of anyone for a libel- or infringement of trademark with a huge monetary fine-which goes not to the public exchequer, but to private coffers. Moreover, penalties and offences wherever prescribed require the prosecution to prove them without reasonable doubt. Therefore, to say that civil alternative to an overloaded criminal justice system is in public interest would be in fact to sanction violation of the law. This can also lead to undesirable results such as casual and unprincipled and eventually disproportionate awards. Consequently, this court declares that the reasoning and formulation of law enabling courts to determine punitive damages, based on the ruling in Lokesh Srivastava and Microsoft Corporation v. Yogesh Papat and Another, 2005 (30) PTC 245 (Del) is without authority. Those decisions are accordingly overruled. To award punitive damages, the courts should follow the categorization indicated in Rookes (supra) and further grant such damages only after being satisfied that the damages awarded for the wrongdoing is inadequate in the circumstances, having regard to the three categories in Rookes and also following the five principles in Cassel. The danger of not following this step by step reasoning would be ad hoc judge centric award of damages, without discussion of the extent of harm or injury suffered by the plaintiff, on a mere whim that the defendant’s action is so wrong that it has a “criminal” propensity or the case merely falls in one of the three categories mentioned in Rookes (to quote Cassel again – such event “does not of itself entitle the jury to award damages purely exemplary in character.”

116. In the above mentioned excerpt, the Division Bench held that the award of punitive damages in India is governed by the principles laid down by the House of Lords in **Rookes v. Barnard**²² and **Cassell & Co. Ltd. v. Broome**²³, which are affirmed by the Hon’ble Supreme Court.

²² [1964] 1 All E.R. 367

²³ [1972] AC 1027



117. In *Rookes (supra)*, the House of Lords held that aggravated or exemplary damages may be awarded only in the following three categories: (i) oppressive, arbitrary or unconstitutional action by the servants of the government; (ii) wrongful conduct by the defendant which has been calculated by him to make a profit for himself which may well exceed the compensation payable to the claimant; and (iii) cases where exemplary damages are expressly authorised by statute.

118. The Division Bench in *Hindustan Unilever Limited (supra)* further emphasised the caution in *Cassell & Co. Ltd. (supra)* that damages remain a civil and not a criminal remedy, and even where exemplary damages are awarded, the Courts must not lose sight of the fact that such awards result in money being paid to the plaintiff rather than to the public exchequer. Further, it was observed that the punitive element of damages could be an element in the determination of damages, or a separate head altogether, but never completely without determination of general damages. The Court expressly cautioned against *ad hoc* or disproportionate awards of punitive damages without first addressing the question of actual harm or injury suffered by the plaintiff. It is in this legal backdrop that the award of punitive damages in the present case is required to be examined.

119. Adverting to the facts of present case, this Court is unable to sustain the award of punitive damages. At the outset, it must be noted that the present dispute arises out of alleged trademark infringement and passing off between private commercial entities. The case does not



involve oppressive or unconstitutional State action, nor is there any statutory provision under the Trade Marks Act authorising the grant of exemplary damages. Therefore, the first and third categories contemplated in *Rookes (supra)* are clearly inapplicable.

120. As regards the second category in *Rookes (supra)*, namely, wrongful conduct calculated to yield profits exceeding compensatory relief, the Division Bench in *Hindustan Unilever Limited (supra)* has cautioned that this category must be applied with circumspection in commercial and intellectual property disputes. The mere existence of infringement or commercial gain does not, by itself, justify punitive damages.

121. In the present facts, while the defendant has been found guilty of infringement and passing off, the record does not disclose material establishing that the defendant's conduct was of such an aggravated or calculated nature as to impose punitive damages. The plaintiff did not lead evidence quantifying loss or demonstrating that the defendant's gains were so disproportionate as to render compensatory relief inadequate. The plaintiff, in fact, confined its prayer to rendition of accounts and did not seek compensatory damages.

122. It is true that, *vide* order dated 24.02.2022, the defendant was directed to file six-monthly statements of accounts relating to the sale of the impugned product "**MEDILICE LICE KILLER**" oil so as to enable the Court to determine the quantum, if any, payable to the plaintiff upon conclusion of trial. However, despite this clear direction, the defendant failed to place the requisite statements on record, thereby



withholding the best evidence in its possession. Therefore, an adverse inference was drawn against the defendant. However, the drawing of an adverse inference cannot automatically substitute the stringent legal requirements governing the award of punitive damages.

123. In the impugned judgment, the learned District Judge relied upon the decision in *Microsoft Corporation (supra)*, wherein punitive damages were awarded owing to the defendant's deliberate evasion of court proceedings and persistent non-appearance. However, it is relevant to note that in light of the present case, *Microsoft Corporation (supra)* is distinguishable, because the decision was passed *ex parte* since the defendant had wholly evaded the proceedings, leaving no scope for an assessment of accounts or participation in the trial and thus punitive damages were awarded as there was no scope of rendition of accounts. In contrast, the present case does not disclose such aggravated circumstances. The defendant herein participated in the proceedings, contested the suit on merits, and subjected itself to trial. While its failure to comply with the direction to file accounts is blameworthy and warrants an adverse inference, the record does not suggest persistent evasion akin to *Microsoft Corporation (supra)*.

124. As per *Hindustan Unilever Limited (supra)* there are very limited instances wherein punitive damages may be awarded but even in those cases, a court should first compute compensatory damages. In the present case, the learned District Judge neither undertook a prior assessment of compensatory damages nor offered any reasons justifying a punitive damage. In the absence of such assessment, the



award of punitive damages lacks justification and is contrary to the Section 135 of the Act.

125. In view of the above discussion, we are of the view that the award of Rs.10,00,000/- as punitive damages is unjustified and unsupported by law merely because the defendant failed to produce the required accounts for rendition. In substitution thereof, and having regard to the findings on infringement, the defendant's non-compliance with disclosure directions, and the need to ensure that the plaintiff is not left remediless, this Court deems it appropriate to award notional damage of Rs.3,00,000/- in the present case while balancing the twin objectives of deterrence and equity.

IX. CONCLUSION

126. As a sequel to the aforesaid observation, this Court has no hesitation in finding that the plaintiff has established itself as the prior user of the trademark “**MEDILICE**” since 2004, the same finds support from the consistent and substantial sales invoices and audited figures. Though, the defendant claimed prior use since 2000, no cogent evidence has been proved. We further find that both products serve the same purpose and are marketed through the same channels, leading to a likelihood of confusion among consumers of average intelligence. Thus, the defendant's use of an identical mark constitutes infringement under the Act.



127. This Court finds that the plaintiff has established all necessary elements of passing off i.e., goodwill accrued through continuous and extensive use, misrepresentation by the defendant in adopting an identical mark for products serving the same purpose, and consequent damage to the plaintiff's goodwill. The defendant's adoption of the mark is likely to cause confusion and deceive consumers, especially when both products are sold from similar platforms to the same class of purchasers. The factual matrix supports the conclusion that the defendant is attempting to ride on the plaintiff's reputation and brand equity. The findings on passing off as arrived at by the learned District Judge are hereby affirmed.

128. We also find that there is no delay or acquiescence that disentitles the plaintiff to relief. The evidence reveals that the plaintiff instituted the suit immediately after becoming aware of the defendant's commercial use through publication and online discovery in July 2020. The prior citations of the defendant's mark in Registry proceedings do not, by themselves, amount to knowledge of actual market use nor do they constitute positive encouragement or omission necessary to invoke acquiescence or equitable estoppel. Mere delay, absent demonstrable prejudice or inducement is not sufficient to defeat proprietary or statutory rights in case of likely public confusion. The finding rejecting this defence stands affirmed.

129. With regards to punitive damage, we find that the plaintiff had sought only rendition of accounts; however, the defendant's continued failure to furnish the said statements of account justified an equitable



award. Nonetheless, considering that the plaintiff had not specifically prayed for damages, this Court deems it appropriate to reduce the quantum of damages to Rs. 3,00,000/-. The finding of liability against the defendant is, therefore, upheld, subject to this modification in the quantum of damages.

130. In view of the above, the appeal fails and as such stands dismissed.

131. There shall be no order as to costs.

OM PRAKASH SHUKLA, J

C.HARI SHANKAR, J

DECEMBER 22, 2025/rjd