



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

Pronounced on: 19th May, 2025

+ **C.O. (COMM.IPD-TM) 355/2021**

INDER RAJ SAHNI PROPRIETOR M/S SAHNI COSMETICS

..... Petitioner

Through: Mr. M.K. Miglani, Mr. Hardik Gogia
and Mr. Akash Singh, Advocates.

versus

NEHA HERBALS PVT. LTD. AND ANR.

..... Respondents

Through: Mr. Sachin Gupta, Mr. Adarsh
Agarwal, Mr. Rohit Pradhan and Ms.
Prashansa Singh, Advocates.

+ **C.O. (COMM.IPD-TM) 455/2022**

INDER RAJ SAHNI M/S SAHNI COSMETICS, 4650, GALI
MOHAR SINGH JAT, PAHARI DHIRAJ, DELHI

..... Petitioner

Through: Mr. M.K. Miglani, Mr. Hardik Gogia
and Mr. Akash Singh, Advocates.

versus

VIKAS GUPTA, 5240, KOLHAPUR HOUSE, KAMLA NAGAR,
DELHI

..... Respondent

Through: Mr. Sachin Gupta, Mr. Adarsh
Agarwal, Mr. Rohit Pradhan and Ms.
Prashansa Singh, Advocates.

+ **CS(COMM) 207/2023**

VIKAS GUPTA AND ANR

..... Plaintiffs

Through: Mr. Sachin Gupta, Mr. Adarsh
Agarwal, Mr. Rohit Pradhan and Ms.
Prashansa Singh, Advocates.



versus

M/S SAHNI COSMETICS

..... Defendant

Through: Mr. M.K. Miglani, Mr. Hardik Gogia
and Mr. Akash Singh, Advocates.

CORAM:

HON'BLE MR. JUSTICE SANJEEV NARULA

J U D G M E N T

SANJEEV NARULA, J.

1. The present suit arises from competing claims over the use of trademark “NEHA”. What might otherwise be seen as a common Indian forename has, in this instance, become the focal point of a trademark dispute between two entities operating in the personal care sector, each asserting rival claims of prior commercial adoption. While the Plaintiffs have used the mark in relation to their line of Mehendi and allied herbal products, the Defendant has applied it to its range of face creams. This Court is therefore, called upon to adjudicate the competing assertions of prior use of an identical mark across overlapping product categories, and to determine whether the Defendant’s use amounts to trademark infringement and/or passing off.

2. **THE PARTIES:**

2.1. Vikas Gupta – Plaintiff No. 1 in CS(COMM) 207/2023 is the Director of Plaintiff No. 2 – Neha Herbals Pvt. Ltd, a company incorporated in the year 2007, under the provisions of Companies Act, 2013. Plaintiff No. 2 operates the business which deals in manufacture and trading of Henna (Mehandi) Powder, Mehendi Cones (Paste) and Hair dyes/Hair Colour Products.

2.2. In the year 1992, Plaintiff No. 1 started a proprietorship concern under



the name of M/s Neha Enterprises and continued to carry out his business under this entity alongside Plaintiff No. 2 from 2007 until 2012, when Plaintiff No. 2 took over its business, with all its assets and liabilities *vide* assignment deed dated 1st May, 2012.

2.3. Mr. Inder Raj Sahni, the sole proprietor of M/s Sahni Cosmetics, is the Defendant in CS(COMM) 207/2023 and Petitioner in C.O. (COMM.IPD-TM) 355/2021 and C.O. (COMM.IPD-TM) 455/2022.

THE CONTROVERSY:

3. *The Case of Neha Herbals Private Limited (In Brief)*

3.1 The Plaintiff No. 1 (Mr. Vikas Gupta) adopted the trademark “NEHA” in the year 1992, drawing inspiration from the first name of his sister. Since then, the mark has been used continuously in relation to Henna (Mehandi) Powder and Mehendi Cones (paste). Initially, Plaintiff No. 1 used the trademark in connection with the business of Henna (Mehandi) powder and Ubtan (face packs); over time, its use expanded to include products such as Henna cones (paste), hair dyes, and hair colouring products.

3.2 The Plaintiff No. 1 initially secured registration for the label mark “NEHA RACHNI MEHANDI” under Application No. 861826 in Class 3, with effect from 21st June, 1999. This registration was subsequently removed from the register on account of non-renewal. Plaintiff No. 1 attributes the lapse to non-receipt of the statutory renewal notice (Form O-3), and contends that the failure to renew was inadvertent.

3.3 Plaintiff No. 1 holds registration for the word mark “NEHA” under Registration No. 1198061 in Class 3, covering goods including Kali Mehendi, Mehendi, Ritha, Amla, Shikakai Powder, Trifla, Mehendi Oil and Herbal



Mehandi, claiming continuous user since 1st April, 1992; as well as registration for the trademark “NEHA HERBALS” under Registration No. 3752588 dated 13th February, 2018, claiming use since 1st April, 2012 in Class 3 for the goods - Mehandi, Henna, Herbal Mehandi, Herbal Henna, Black Mehandi, Burgundy Mehandi, Herbal Colours for hair, Herbal Colour Cream, Natural Hair Colour, Herbal Shampoo, Mehandi Oil, Mehandi Cone and Fast Henna.

3.4 In exercise of its natural right to expand its business, Plaintiff No. 1 filed several applications for the trademark “NEHA” across a range of product categories and classes. Of relevance is Application No. 4182573 dated 21st May, 2019, for the device mark “**Nēha**”, filed on a proposed-to-be-used basis in Class 3, for a variety of goods including creams, perfumes, fragrances, toothpaste, toothpowder, mouth wash, soaps, bath lotions, make up, hair remover, hair wax, etc. This application remains pending.

3.5 The cause of action in the present suit arose in May, 2019 when Plaintiff No. 1 discovered that cold cream bearing the mark “NEHA” were being sold by M/s Manchanda General Store, a retail outlet in Sadar Bazar, Delhi. These products, prompted the Plaintiffs to institute the present suit on 4th June, 2019, alleging unauthorized and infringing use of the mark “NEHA” by the Defendant.

3.6 The Defendant does not hold any trademark registration for “NEHA”. Multiple applications filed by the Defendant have either been refused or abandoned. Notably, Application No. 1462077, which sought registration of the mark “NEHA” for creams and vanishing creams under Class 3, was refused by the Trade Marks Registry *vide* order dated 2nd November, 2016, on



the ground that the mark was objectionable under Sections 9 and 11 of the Trade Marks Act, 1999.¹ Application No. 2153566 was deemed abandoned *vide* order dated 30th November, 2018, owing to the Defendant's failure to respond to the examination report. Furthermore, the orders of refusal and abandonment in these applications have attained finality and have not been challenged.

4. Case of the Defendant – Sahni Cosmetics (In Brief)

4.1 Sahni Cosmetics, through its proprietor Mr. Inder Raj Sahni, adopted the trademark "NEHA" for creams as early as 1990. The Defendant's use of the mark is both honest and concurrent, and prior in time to the Plaintiffs' adoption. In support, reliance is placed on a manufacturing licence issued in 1990 and a series of invoices demonstrating consistent and bona fide use of the mark. On the basis of these materials, the Defendant invokes the doctrines of honest concurrent use and prior use, both of which are recognised under Trademark law as defences available to protect long-standing commercial users against the claims of later registrants.

4.2 The sale of cosmetics, including Henna, is regulated under the Drugs and Cosmetics Act, 1940.² Plaintiff No. 1's use of the trademark "NEHA" for a cosmetic product, without a manufacturing licence for the period between 1992 to 2010, undermines its claim of continuous use. In the absence of clear evidence of lawful trade during this period, any use of the mark "NEHA" does not meet the threshold required to establish proprietary rights based on continuous and *bona fide* use.

¹ "the Trade Marks Act"

² "D & C Act"



4.3 Plaintiff No. 1 has been aware of the Defendant's products since at least 2003, particularly through a common wholesaler who traded in the goods of both parties over several years. By feigning ignorance and abruptly initiating litigation in 2019, Plaintiff No. 1 by leveraging its commercial stature, eeks to enter the creams segment, long occupied by the Defendant. The Plaintiffs are seeking to assert trademark rights opportunistically, rather than in response to genuine confusion or market conflict.

4.4 The suit is not maintainable on the ground of delay and acquiescence. The prolonged inaction on the part of the Plaintiff No. 1, despite having knowledge of the use of the mark by the Defendant, amounts to an attempt to unsettle a prior and *bona fide* proprietor under the guise of trademark infringement.

5. *Interim orders and consolidation of proceedings*

5.1 The Plaintiffs – Mr. Vikas Gupta (Plaintiff No. 1) and Neha Herbals Pvt. Ltd. (Plaintiff No. 2) instituted CS(COMM) 1833/2019 [later renumbered as CS(COMM) 207/2023] before the District Court against M/s Sahni Cosmetics, seeking a decree of permanent injunction restraining the Defendant from using the trademark “NEHA”, along with reliefs for passing off, delivery up, rendition of accounts, and costs.

5.2 The suit was initially filed before the District Court. At the initial stage, an Additional District Judge,³ by order dated 23rd August, 2019, granted an *ex-parte ad interim* injunction restraining the Defendant from using the Plaintiff No. 1's mark. The Defendant thereafter moved an application for vacating the said injunction. Upon hearing both sides, the ADJ by order dated

³ “ADJ”



1st November, 2019, allowed the Defendant's plea for vacation of the interim order.

5.3 Parallely, the Defendant instituted two cancellation petitions being C.O. (COMM.IPD-TM) 355/2021 and C.O. (COMM.IPD-TM) 455/2022 before the Intellectual Property Appellate Board,⁴ against Plaintiff No. 1's registration for the mark "NEHA" under Registration No. 1198061 dated 12th May, 2003 and the mark "NEHA HERBALS" bearing Registration No. 3752588 dated 13th February, 2018.

5.4 The Plaintiffs, by filing an appeal [FAO (COMM) 144/2021], challenged the order dated 1st November, 2019, vacating the interim injunction. The appeal was dismissed by the Division Bench of this Court on 4th October, 2021. A review petition [Review Petition No. 176/2021] was also dismissed on 16th December, 2021. The Plaintiffs then assailed both the orders before the Supreme Court in SLP(C) No. 2493-2494/2022, which was decided with a direction to the Trial Court to dispose of Plaintiffs' suit expeditiously within a period of 12 months, on its own merits, and on the basis of evidence led by parties, without being influenced by any of the observations made in the orders deciding the interlocutory application.

5.5 The operative portion of the Supreme Court's order dated 28th February, 2022, as amended by the order dated 4th April, 2022, reads as follows:

"It is reported that the Trial Court has stayed the hearing of the suit. We direct the learned Trial Court to proceed further with the hearing of the suit irrespective of any further proceedings pending before any other Courts and/or Authorities. With this, the Special Leave Petitions stand dismissed. Pending application(s), if any, shall stand disposed of."

⁴ "IPAB"



As the present proceedings arises out of order passed under Order 39 Rule 1 and 2 of the Code of Civil Procedure, the judgment and order passed by the High Court is not interfered with.

In the facts and circumstances of the case, we direct the learned Trial Court to decide and dispose of suit expeditiously and preferably within a period of 12 months from the date of receipt of copy of this order, subject to cooperation of all concerned.

It goes without saying that the learned Trial Court shall decide and dispose of the suit in accordance with law and on its own merits and on the basis of the evidence lead and without being influenced by any of the observations made while deciding the impugned interim injunction application which shall always be treated and considered prima facie.”

5.6 In April, 2021, the IPAB was abolished, and all pending cases were transferred to the respective High Courts. Consequently, the two cancellation petitions initiated by the Defendant, [C.O. (COMM.IPD-TM) 355/2021 and C.O. (COMM.IPD-TM) 455/2022], also stood transferred to this Court. Subsequently, when C.O. (COMM.IPD-TM) 355/2021 came up for hearing, the parties jointly submitted that the suit CS (COMM) 1833/2019 [later renumbered as CS (COMM) 207/2023], which was pending before the Trial Court, be transferred to the High Court and tagged along with the pending cancellation petition. It was also agreed that the evidence led in the suit could be treated as evidence in the cancellation proceedings.

5.7 Accepting this request, this Court, by order dated 22nd March, 2023, directed as follows:

“1. Pursuant to the previous order, Mr. M.K. Miglani, counsel for the Petitioner, on instructions, states that he has no objection if the suit pending between the parties before the Trial Court is transferred and tagged along with the instant petition. Mr. Sachin Gupta, counsel for Respondent No. 1, is also of the same view.

2. Counsel for parties further jointly state that evidence led in the said suit can be read as evidence in the instant petition as well.

3. Considering the above, suit being C.S (COMM) 1833/2019 pending before the Court of Ms. Nisha Saxena, District Judge (Commercial Court)-



04. Tis Hazari, Delhi, is hereby transferred to this Court and tagged along with the instant petition.

4. Copy of the order be given dasti to counsels to ensure that the said suit paper-book is transmitted and listed before this Court on 12th April, 2023. Registry is also directed to transmit a copy of this order to the District Judge, Tis Hazari for compliance.

5. List on 12th April, 2023.”

5.8 Subsequently, on 17th April, 2023, on a Miscellaneous Application [No. 525-523/2023 in SLP(C) No. 2493-2494/2022], the Supreme Court took note of the transfer of the suit to this Court and issued following directions:

“It is reported that, pursuant to the subsequent order passed by the High Court dated 22.03.2023, the Suit being CS (COMM) 1833/2019 (suit in question) is ordered to be transferred to the Delhi High Court and tagged along with C.O. (COMM.IPD-TM) 355/2021.

In that view of the matter, we request the High Court to finally decide and dispose of the aforesaid proceedings at the earliest preferably within a period of 6 months from the date of receipt of the present order.

With this, the present Applications stand disposed of.”

5.9 Further, on 3rd January, 2024, both sides agreed that both the cancellation petitions [C.O.(COMM.IPD-TM) 355/2021 and C.O. (COMM.IPD-TM) 455/2022] could be finally heard and decided together along the suit. Accordingly, this Court proceeded to hear the matters, and final arguments were completed.

5.10 In view of the above, all three proceedings [CS(COMM) 207/2023, C.O. (COMM.IPD-TM) 355/2021, and C.O. (COMM.IPD-TM) 455/2022] stood consolidated. As agreed between the parties, since evidence recorded in the suit was to be read in the cancellation petitions as well, all the matters were heard together and are being disposed of by this common order.



ISSUES:

6. On the basis of pleadings, by order dated 21st September, 2020, the following issues were framed:

“1. Whether the plaintiff no.1 is the proprietor of the trademark ‘NEHA’ in respect of the goods mentioned in the plaint ?(OPP)

2. Whether the plaintiff has been in continuous use thereof since 1992 as claimed or any other date thereafter?(OPP)

3. Whether the defendant is a prior user and adopter of the trademark ‘NEHA’ as claimed by the defendant, if so its effect?(OPD)

4. Whether the plaintiff is guilty of concealment and suppression as alleged by the defendant? (OPD)

5. Whether the suit is barred on account of delay, laches and acquiescence as alleged by the defendant?(OPD)

6. Whether the registration of the trademark ‘NEHA’ obtained by the plaintiff no. 1 is invalid and deserves to be cancelled as claimed by the defendant?(OPD)

7. Whether the use of the impugned trademark ‘NEHA’ by the defendant is likely to cause confusion or deception, leading to passing off of defendant’s products as those of the plaintiff’s? (OPP)

7. Whether the use of the impugned trademark ‘NEHA’ by the defendant amount to infringement of the plaintiff’s registered trademark ‘NEHA’? (OPP)

8. Whether the plaintiffs are entitled to delivery up and rendition of accounts as prayed for? (OPP)

9. Relief.”

(sic)

7. In order to prove their case, the Plaintiffs examined 7 witnesses, who are as follows:



- i. PW-1: Mr. Vikas Gupta (Plaintiff No. 1 and Director/ Authorised Signatory of Plaintiff No. 2)
 - ii. PW-2: Mr. Gopal Prasad (Official from IT Department)
 - iii. PW-3: Mr. Vinay Kumar (Official from Trade Mark Registry)
 - iv. PW-4: Mr. Pradeep Sharma (Representative from Dainik Bhaskar)
 - v. PW-5: Mr. N.K. Verma (Representative from Delhi Press Patra Prakashan Pvt. Ltd.)
 - vi. PW-6: Mr. M.A. Thomas (Representative from Digital Radio Delhi Broadcasting Ltd.)
 - vii. PW-7: Mr. Tarun Gupta, Chartered Accountant
8. On the other hand, the Defendant also examined 7 witnesses, as follows:

- i. DW-1: Mr. Inder Raj Sahni (Defendant)
- ii. DW-2: Mr. Kishan Dass Talreja, proprietor of Mohan Dass Daulat Ram, Delhi
- iii. DW-3: Mr. Jaspal Singh, proprietor of J.S. Kalra Hosarry, New Delhi
- iv. DW-4: Mr. Mehfooz Ali, proprietor of H. Mahmood Ali & Sons, Delhi
- v. DW-5: Mr. Jatin Aggarwal, Director of Julie Packaging Pvt. Ltd.
- vi. Mr. Balram Sahu, Drug Inspector, Drugs Control Department, Delhi
- vii. Mr. Vinay Kumar, Data Entry Operator, Trade Mark Registry, Delhi

ISSUE No. 1

Whether Plaintiff No. 1 is the proprietor of the trademark “NEHA” in respect of the goods mentioned in the plaint? (OPP)



9. The issue, as framed, requires Plaintiff No. 1 to establish that they are the lawful proprietor of the trademark “NEHA” in relation to the goods specified in paragraph No. 6 of the plaint, which correspond to the categories for which the mark is presently registered. Plaintiff No. 1’s registered marks are as follows:

<u>TRADEMARK</u>	<u>APPLICATION NO. & DATE</u>	<u>GOODS</u>
NEHA	1198061 dated 12 th May, 2003	Kali Mehendi, Mehendi, Ritha, Amla, Shikakai Powder, Trifla, Mehendi Oil and Herbal Mehendi falling in class 3
NEHA HERBALS	3752588 dated 13 th February, 2018	Mehandi, Henna, Herbal Mehendi, Herbal Henna, Black Mehendi, Burgundy Mehendi, Herbal Colors for Hair, Herbal Color Cream, Natural Hair Color, Herbal Shampoo, Mehendi Oil, Mehendi Cone And Fast Henna falling in Class 3

10. The expression “registered proprietor”, as defined under Section 2(v) of the Trade Marks Act, includes “*the person for the time being entered in the register as the proprietor of the trade mark.*” Plaintiff No. 1 is indeed the registered proprietor of the word mark “NEHA” under Registration No. 1198061 in Class 3, dated 12th May, 2003, with a user claim dating back to 1st April, 1992. The certified copy of certificate of registration is Ex. PW-3/1. Plaintiff No. 1 also holds registration for the composite mark “NEHA



HERBALS” under Registration No. 3752588, dated 13th February, 2018, in Class 3, claiming user since 1st April, 2012. This registration stands proved by certificate Ex. PW-3/2. The certified extract of the registration record [Ex. PW-3/1] records that the trademark “NEHA” was originally registered in the name of Mr. Vikas Gupta. Pursuant to an assignment deed dated 1st May, 2012 and accompanying documentation, the registered proprietorship was updated in the Trade Marks Registry to reflect Neha Herbals Pvt. Ltd. as the proprietor. Similarly, the certified registration record [Ex. PW-3/2] shows that the trademark “NEHA HERBALS,” initially registered in the name of Neha Herbals Pvt. Ltd., was re-assigned to Mr. Vikas Gupta. Further, under a deed of assignment dated 21st May, 2019 [Ex. PW-1/14], the trademarks “NEHA” and its formative variants were assigned by Plaintiff No. 2 to Plaintiff No. 1. On the same day, through a license agreement [Ex. PW-1/15], Plaintiff No. 1 licensed the use of the “NEHA” marks back to Plaintiff No. 2.

11. Plaintiff No. 1’s proprietorship over the mark “NEHA” and “NEHA HERBALS” *qua* these goods, therefore, stands established by virtue of statutory registration under Section 28(1) of the Trade Marks Act, which confers an exclusive right to use the mark in relation to the specified goods.

12. The issue does not conclude with the registrations held by Plaintiff No.1, as the Defendant challenges the very foundation of their claim to proprietorship. Defendant argues that Plaintiff No.1 is not the original adopter or user of the mark “NEHA”. It is pointed out that Plaintiff No. 1 acquired the mark from Plaintiff No. 2 through an assignment deed dated 21st May, 2019, executed just days before the institution of the present suit. The Defendant questions the timing and manner of this assignment and argues that



the transaction lacks documentation and raises doubts about the *bona fides* of the ownership claim.

13. The Defendant relies on the testimony of PW-1, Mr. Vikas Gupta, who, when questioned about the existence of a Board Resolution passed by Plaintiff No. 2 authorising the assignment, was unable to confirm it with certainty. He admitted that he could neither recall the date of the meeting at which such a resolution was purportedly passed, nor produce a copy of the resolution itself..The relevant portion of the testimony reads:

“Q35. *(The witness is requested to see Ex.PW1/14 and he has seen it). Was there resolution passed by plaintiff no. 2 before assignment of the trademark to plaintiff no. 1?*

A. *There would have been resolution to this effect.*

(Objected to on the relevancy as well as necessity of this question) (The objection is kept open to be decided by the Hon’ble Court.)

I do not remember the date of meeting took place in respect of that resolution. There was no consideration decided in the said board resolution. Either there were two Directors of the company or me (Vikas Gupta), whom the authority was given to sign the assignment deed. (Objected to)”

14. The Plaintiffs’ counsel raised objections regarding the relevance of the afore-noted questions. These objections are overruled as questions put to the witness are relevant to the controversy. The Defendant is therefore permitted to rely on the response of the witness to Question No. 35 extracted above.

15. The Defendant also draws attention to the nominal consideration of INR 1,000/- recited in the assignment deed [Ex. PW-1/14], contending that it reflects an absence of commercial value or goodwill in the transaction. When confronted on this point during cross-examination, PW-1 denied that the nominal consideration reflected a lack of commercial value, asserting instead that the amount had been paid by cheque and duly recorded in the accounts of



both Plaintiffs. However, he was unable to produce any corroborative documentation, such as accounting records or bank statements, to substantiate this claim. On 19th October, 2022, PW-1 further stated that although he attempted to trace the relevant entry, he was unable to locate it and speculated that it might have been recorded under a miscellaneous or capital head.

16. The Defendant emphasises that the assignment deed bears only the signature of PW-1, who acted on behalf of both the assignor and the assignee. No independent signatory from Plaintiff No. 2 was produced, nor was any Board Resolution authorising the assignment placed on record. The consideration was neither objectively verified nor supported by independent documentation. On the basis of these inconsistencies and the absence of proper supporting evidence, the Defendant argues that the assignment appears to be self-serving and commercially hollow, casting serious doubt on the Plaintiffs' claim to proprietary rights in the trademark "NEHA."

17. The objections raised by the Defendant are not insignificant. Under Section 45(1) of the Trade Marks Act, an assignment of a registered trademark must be in writing and must also comply with the formalities prescribed by law. These compliances becomes pertinent where the assignor and assignee are distinct legal entities, as in the present case. Indeed, corporate authorisation, in the form of a Board Resolution, and evidence of consideration are relevant indicators of the *bona fides* of the transaction.

18. However, in the specific facts of the present case, deficiencies in the assignment deed do not vitiate the Plaintiffs' proprietary claim. The reason is straightforward: Plaintiff No. 1 is not relying solely on the assignment to establish ownership. Rather, he is the registered proprietor of the trademark



“NEHA” under Registration No. 1198061. This registration predates the assignment in question and was not obtained by way of transfer from Plaintiff No. 2. The certificate of registration [Ex. PW-3/1] confirms that the registration was granted directly to Plaintiff No. 1.

19. It is also relevant to note that Plaintiff No. 2 was incorporated on 6th December, 2007, as evidenced by the certificate of incorporation [Ex. PW-1/12], and commenced its business operations only in the year 2012. The proprietary business of Plaintiff No. 1 – “M/s Neha Enterprises”, along with rights in the trademark “NEHA”, were first assigned to Plaintiff No. 2 through an assignment deed dated 1st May, 2012 [Mark A]. Thereafter, the trademark was reassigned by Plaintiff No. 2 to Plaintiff No. 1 under a deed dated 21st May, 2019 [Ex. PW-1/14], executed shortly before the institution of the present suit. Both assignments stand duly recorded with the Trade Marks Registry and ownership of the marks stands substituted as noted above. There is no dispute *inter se* between the Plaintiffs regarding the ownership of the mark. On the contrary, the record reflects a consensual transfer of trademark rights. Plaintiff No. 1 granted a licence to Plaintiff No. 2 to use the mark “NEHA” under a written agreement [Ex. PW-1/15], further evidencing the continuity of business and mutual recognition of rights.

20. Thus, whatever infirmities may have existed in the assignment deed dated 21st May, 2019 [Ex. PW-1/14], they have no bearing on the present issue. On the strength of registrations noted above, the Plaintiffs’ status as the registered proprietor of the trademark ‘NEHA’ in respect of the aforementioned goods is duly proved.

21. **Issue No. 1, therefore, is decided in favour of the Plaintiffs and**



against the Defendant.

22. It is clarified that this finding is based on the existing status of the Trademark Register and the subsisting registrations standing in favour of the Plaintiffs. The Court will independently examine the Defendant's challenge to the Plaintiffs' registration while dealing with objections relating to cancellation and invalidation of the Plaintiffs' marks.

23. In light of the above findings, hereinafter, Plaintiff No. 1 – Mr. Vikas Gupta, proprietor of Neha Enterprises and Plaintiff No. 2 – Neha Herbals Pvt. Ltd., shall be collectively referred to as “the Plaintiffs”. Similarly, Mr. Inder Raj Sahni and Sahni Cosmetics shall be collectively referred to as “the Defendant”.

ISSUE NO. 2, 3 AND 6

Whether the Plaintiffs have been in continuous use of the trademark “NEHA” since 1992 as claimed or any other date thereafter?(OPP)

Whether the Defendant is a prior user and adopter of the trademark “NEHA” as claimed by the Defendant, if so its effect?(OPD)

Whether the registration of the trademark “NEHA” obtained by Plaintiff No.1 is invalid and deserves to be cancelled as claimed by the Defendant?(OPD)

24. The Court considers it appropriate to consider Issues No. 2, 3, and 6 together, as they are inextricably interlinked. The Plaintiffs' claim of continuous use (Issue No. 2), the Defendant's assertion of prior adoption and use (Issue No. 3), and the challenge to the validity of the Plaintiffs' registration (Issue No. 6) on the grounds that, *inter alia*, the Defendant is the actual prior adopter and user of the mark, all depend on examining the



question as to who first adopted and continuously used the mark “NEHA”. These competing narratives also bear directly on the Defendant’s plea for cancellation of the Plaintiffs’ registration.

25. Both parties use the identical mark “NEHA”, however, the goods in respect of which the parties claim use of the mark differ in function and formulation. The Plaintiffs have utilised the mark in relation to Mehendi and allied herbal preparations, while the Defendant uses it in respect of face creams. The Plaintiffs hold valid and subsisting registrations for the mark and on the other hand, the multiple applications of the Defendant for registration of “NEHA” have remained unsuccessful.

Issues No. 2 and 3

26. The Court must now turn to the question of priority, and the central is this: Who was the first one to *bona fide* use mark “NEHA” in the course of trade?

Legal Principles

27. Before proceeding to adjudicate the issue of prior use, it is necessary to restate certain settled legal principles that govern such determination. Indisputably, the Plaintiffs are the registered proprietor of the trademark “NEHA.” However, registration alone does not preclude a challenge based on prior user rights. Section 34 of the Trade Marks Act provides that the exclusive rights conferred by registration are subject to the rights of a prior user. The provision makes it explicit that nothing in the Trade Marks Act entitles a registered proprietor to interfere with the rights of a person who has been continuously using an identical or similar trademark prior to the date of registration or prior to the use claimed by the registered proprietor. As held in



S. Syed Mohideen v. P. Sulochana Bai,⁵ a conjoint reading of Sections 34, 27 and 28 would show that the rights of registration are subject to Section 34. This is evident from the opening words of Section 28 of the Trade Marks Act which states “*Subject to the other provisions of this Act, the registration of a trade mark shall, if valid, give to the registered proprietor....*” and also the opening words of Section 34 which states “*Nothing in this Act shall entitle the proprietor or a registered user of registered trade mark to interfere...*”. Thus, under the scheme of the Trade Marks Act, the rights of a prior user are accorded precedence over those of a subsequent registrant. Even a registered proprietor cannot interfere with or disturb the rights of a person who has continuously used the mark from an earlier date.

28. Therefore, while a claimant’s registration under Section 28(1) confers statutory rights, those rights cannot prevail against a proven claim of prior and continuous use by a rival party. If such prior use is established, it operates as a statutory defence under Section 34 and takes precedence over the rights conferred by registration.

29. Furthermore, the determination of prior use cannot be based on competing assertions or bare, unsubstantiated claims. While trademark registration confers statutory rights, those rights are ultimately grounded in use. The law requires credible and continuous evidence of commercial use, whether in the form of sales records, advertising, consumer association, or other market-facing activities that reflects the accrual of goodwill and a proprietary connection with the mark. It is the genuine and sustained use of a mark in the course of trade that gives rise to enforceable proprietary rights in

⁵ (2016) 2 SCC 683



trademark law.

30. Thus, although the formal onus of proof for Issue No. 3 rests on the Defendant – to establish prior adoption and use of the mark “NEHA” in connection with creams and allied cosmetic goods, the Plaintiffs too must substantiate their claim of continuous use of the trademark “NEHA” from the asserted date of 1st April, 1992. Therefore, the Court’s inquiry must centre on the evidentiary record to determine:

(i) Whether the Defendant has established continuous and *bona fide* commercial use of the mark “NEHA” from 1990, prior to the Plaintiffs’ asserted date of use; and

(ii) Whether the Plaintiffs, conversely, have demonstrated consistent and credible use of the mark “NEHA” from 1st April, 1992, or any time thereafter.

Plaintiffs’ user claim of the Trademark “NEHA”

31. The Plaintiffs assert priority in adoption and continuous use of the trademark “NEHA” since 1st April, 1992. In support, they rely on a prior registration for the device mark “NEHA RACHNI MEHANDI” under Class 3, granted in 1999 pursuant to Application No. 861826, which records a user claim from 1992. The Plaintiffs candidly acknowledge that this registration was later removed from the Register by the Trade Marks Registry due to non-renewal. However, they attribute the lapse to non-receipt of the statutory notice under Form O-3, which, they assert, prevented them from filing the requisite renewal application within time.

32. The Plaintiffs further rely on two subsisting registrations. The first is for the word mark “NEHA” under Registration No. 1198061 [Ex. PW-3/1], standing in the name of Plaintiff No. 1, which pertains to goods in Class 3,



namely “*Kali Mehandi, Mehandi, Ritha, Amla, Shikakai Powder, Trifla, Mehandi Oil, and Herbal Mehandi.*” This registration also carries a user claim dating back to 1st April, 1992. The second registration is for the mark “NEHA HERBALS” under Registration No. 3753588 [Ex. PW-3/2], with a user claim from 1st April, 2012. This mark extends to a broader range of goods within Class 3, such as “*Mehandi, Henna, Herbal Mehandi, Herbal Henna, Black Mehandi, Burgundy Mehandi, Herbal Colours for Hair, Herbal Colour Creams, Natural Hair Colour, Herbal Shampoo, Mehandi Oil, Mehandi Cones, and Fast Henna.*”

33. To establish longstanding and *bona fide* use, Plaintiffs rely on the testimony of PW-1 (Mr. Vikas Gupta), who states that he adopted the mark “NEHA” in honour of his sister and it was first used in commerce through his sole proprietorship, “M/s Neha Enterprises”, operating out of his father’s shop located at 5216, Kolhapur Road, Kamla Nagar, Delhi. He further testified that in early stages, the Plaintiffs’ business was in respect of herbal products such as Mehandi, Mehandi Powder, Ubtan, Spices, Ritha, Shikakai and Trifla.

34. In his cross-examination recorded on 17th August, 2022, PW-1 affirmed that the firm began manufacturing Mehandi, Mehandi Powder, and Spices in 1992. He clarified that the operations at inception were modest, carried out manually with the help of two workers, and that it was only around 1995 that basic packaging machinery was introduced. His testimony in this regard is as follows:

“Q. 1. What you used to manufacture in the year 1992.

Ans. Mehndi, Mehndi Power and Spices used to be manufactured by me in the year 1992.



In the year 1992, my address of manufacturing of aforesaid products was 5216, Kohlapur Road, Kamla Nagar, Delhi -110007. It was not my residence but my father's shop. At that time, there were two worker who were working under us. At that time we had no machine in the said shop but later on there were machines installed by us. The machines were installed in the year around 1995. It was not a grinding machine but packing machine. The business of manufacturing of spices was carried upto the year 2000, again said it was carried for about 8-9 years from 1992.

Q.2. What was the proportion of manufacturing of spices and other products of Mehndi?

Ans. The proportion of manufacturing of spices was less than to the other products of Mehndi; I cannot tell in percentage of manufacturing of spices and other products of Mehndi."

35. PW-1 further deposed that the spice segment of the business was discontinued around the year 2000, while the "NEHA" mark continued to be used in relation to herbal cosmetics. He specifically mentioned that Ubtan was one of the first products manufactured under the "NEHA" label in 1992, though its production ceased around 1995.

"Q.24 How long you have been Manufacturing Ubtan (Face Pack)?

A. Initially, I had manufacture in the year 1992 and I might have continued it till 1994 and then I stopped manufacturing Ubtan (Face Pack)"

PW-1 also candidly acknowledged that the Trademark Application No. 667288 dated 26th May, 1995, filed in Class 5 for "Herbal Preparations including Mehendi and Ubtan (Face pack)", with a claimed user date of 1st April, 1992 [Ex. PW-1/D3] had been withdrawn upon realising it was mistakenly filed in Class 5 (Pharmaceuticals) rather than Class 3 (Cosmetics).

36. The other documentary evidence relied upon by the Plaintiffs includes registration certificates, trademark applications, assignment deeds, licencing arrangements, advertisements, sales invoices and statement of accounts. For



ease of reference, the documentary evidence led by the Plaintiffs is tabulated below:

EXHIBIT NO.	DESCRIPTION
YEAR 1994-2005 (ITRs, CA Certificate)	
Ex. PW-1/2 to PW-1/10 (ITR for F.Y. 1994-1995 to F.Y. 2003-2004)	These ITRs are in favour of Plaintiff No. 1, Mr. Vikas Gupta trading as M/s Neha Enterprises The ITRs have been verified by the Plaintiffs' Chartered Accountant [PW-7]
Ex. PW-2/2 to PW-2/5 Web downloaded ITD from the IT Department portal for A.Y. 2001-02 to 2004-2005	These ITRs are in favour of Plaintiff No. 1, Mr. Vikas Gupta trading as M/s Neha Enterprises
Ex. PW-1/22 CA certificate certifying sale figures of trade mark "NEHA" for the period 1994-2019	The said certificate reflects the turnover of M/s Neha Enterprises (1994-April 2012) and thereafter of Plaintiff No. 2, Neha Herbals Pvt. Ltd. (May-2012-2019). It mentions that M/s Neha Enterprises was taken over by Neha Herbals Pvt. Ltd. It shows that the turnover was INR 70,000/- in F.Y. 1994-95 and INR 82.6 Crores in F.Y. 2018-19. The said certificate has been prepared by PW-7. He joined M/s Neha Enterprises in 1992 as an accountant and worked till 1999.
YEAR 2002 (Promotional Event/Advertisement)	
Ex. PW-1/20 (Colly) Copies of Application forms of various students for participation in NEHA Mehendi Rachao Contest	These documents relate to promotion of trademark "NEHA" by way of the NEHA Mehendi Rachao contest, conducted in 2002



	The documents included a pouch for “NEHA” Mehandi powder which was used by the Plaintiffs from 1995.
Ex. PW-5/2 and 5/3	Copies of <i>Grahshobha</i> magazines of April, 2002 and May, 2002
YEAR 2005 (Sale Invoices)	
Ex. PW-1/23 (OSSR) Office copies of tax invoices dated 18 th August, 2005	The tax invoices raised by M/s Neha Enterprises for products bearing the trade mark “NEHA Herbal Mehandi”.
YEAR 2007 (Advertisement, Sale Invoices)	
Ex. PW-4/1 and 4/2	Relevant pages from the newspaper Dainik Bhaskar, Hisar Edition and Panipat Edition depicting Plaintiffs’ products under trademark “NEHA” both dated August, 2007.
Ex. PW-1/18A to PW-1/18B	Advertisement of products bearing the trademark “NEHA” in Dainik Bhaskar newspaper in the year 2007
SALES LITERATURE AND BROCHURE	
Ex. PW-1/21 Sale literature and brochure	The said sale literature is of Plaintiff No. 2 and includes “NEHA” herbal mehandi, “NEHA” kali mehandi, “NEHA” herbal henna, “NEHA” herbal colour, “NEHA” colour cream.

37. The Plaintiffs also rely on the testimony of their Chartered Accountant [PW-7] who deposed that he joined M/s Neha Enterprises in 1992 and that he regularly maintained accounts and issued invoices in connection with the sale of goods under the “NEHA” mark. The testimony of PW-7 is as follows:

“I am related with Sh. Vikas Gupta, the plaintiff no. 1, he is my Uncle’s Son. I joined Neha Enterprises as an Accountant in the year 1992. I used



to sit as an Accountant in Kolhapur Road having premises no. 5215-16, where a shop was located and it was started by the father of Sh. Vikas Gupta.

Q1. How many persons used to sit in that premises?

A. There used to be 10-12 persons apart from me sit in the said shop.

Some of those persons were employee and some family members. There were 7-8 employees in the said shop. So far I recollect, my salary was Rs. 500/- or Rs. 1,000/- in the year 1992. I had work as an Accountant till 1999 and in the year 1992, my salary was Rs. 500/- to Rs. 700/- more than my previous salary. My salary used to be paid by way of cash.

Q2. Whether all the bills used to be prepared by you?

A. Majority of the bills used to be prepared by me.

Q3. How long you had prepared the bills?

A. Till 1999.

Q4. (Attention of witness is drawn to para no. 5 of AP7) You have mentioned in para no. 5 of your affidavit that you had verified the accounts, ITR returns and balance sheets.

A. It is correct to say that I had verified the accounts, ITR returns and balance sheets.”

38. The turnover certificate provided by the PW-7 reflects a turnover of INR 70,000/- in 1994-95, which grew exponentially to INR 3.69 crore in 2003-04 and INR 82.6 crore in 2018-19 (in respect of Plaintiff No.2).

Defendant's claim of prior adopter/ user:

39. On the other hand, in support of its claim, the Defendant examined Mr. Inder Raj Sahni, the proprietor of the M/s Sahni Cosmetics, as DW-1, who filed an evidence affidavit and deposed to long-standing use of the mark. DW-1 produced four manufacturing licences [Ex. DW-1/1A, Ex. DW-1/1B, Ex. DW-1/1D and Marks Z1/DW-1, Z3/DW-1 and Z4/DW-1], which permitted the production of cosmetics under the mark “NEHA”. The Defendant further relied upon a series of sales invoices [Ex. DW-1/2A to DW-1/2W and DW-1/2X1 to DW-1/2X128] pertaining to the period between 2003 and 2019. It is the Defendant's case that these invoices establish sustained commercial use



of the mark in connection with cold creams and related cosmetic goods.

40. To supplement the sales records, the Defendant also placed reliance on purchase invoices of packaging material spanning the years 1999 to 2015, exhibited as Ex. DW-1/3X1 to DW-1/3X38, and on physical samples of product packaging and photographs of goods, marked as DW-1/4X (Colly) and DW-1/5X (Colly) respectively. These materials are relied upon to corroborate the visual branding and market presence of the Defendant's goods under the "NEHA" label.

41. The Defendant further contends that the evidence adduced has remained substantially unchallenged. In particular, it is asserted that no questions were put to DW-1 in cross-examination regarding either the packaging invoices [Ex. DW-1/3X1 to DW-1/3X38] or the sales invoices [Ex. DW-1/2 (Colly)], and that this omission constitutes implied acceptance of their authenticity and probative value.

42. To corroborate this testimony, three additional witnesses [DW-2 to DW-4] were examined, who are stated to be long-term distributors or sellers of the Defendant's products bearing the "NEHA" mark. Additionally, DW-5, a supplier of packaging materials, was also examined to support the contention that labels and packaging bearing the mark "NEHA" were regularly ordered and used by the Defendant.

43. On the basis of this documentary and witness testimonies the Defendant claims to have established continuous use of the mark "NEHA" in relation to creams since 1990. It is argued that Plaintiffs, by contrast, have led no reliable evidence showing use of the mark "NEHA" in relation to creams prior to 1999, and certainly not prior to 1990, in relation to any product. Accordingly,



the Defendant contends that they are entitled to be treated as the prior user within the meaning of Section 34 of the Trade Marks Act.

Assessment of competing claims of use on the basis of evidence adduced by parties

Legal Principles

44. In disputes involving rival claims of prior use over an identical trademark, it is not merely the assertion of priority, but the weight, consistency, and credibility of the supporting evidence that assumes decisive importance. The present case underscores that very challenge. Both parties assert rights over the identical mark “NEHA” in relation to their products. The Plaintiffs claims continuous use since 1992, while the Defendant contends that its adoption of the identical mark dates back to 1990. Yet, before entering the thicket of competing narratives and evidence, one stark reality must be acknowledged: neither party has furnished direct, contemporaneous, and unambiguous proof from their respective claimed dates of first use. Documents one might expect to decisively tilt the balance, such as dated invoices, early product packaging bearing the mark, period-specific promotional materials, or trade communications, from the claimed dates of first use, are conspicuously absent. What emerges instead is a mosaic of indirect and inferential evidence, requiring the Court to tread with particular care in evaluating whether either party’s claim to prior use rises to the level of credible and sustained commercial presence in the market.

45. It is well settled that not all forms of use of a mark amount to “use” in the legal sense contemplated under trademark law. To give rise to protectable rights, such use must be of a kind that identifies the source of the goods and



serves to distinguish them from those of others – a concept often referred to by Courts as “use in the trademark sense”. The usage must manifest in the public domain and not remain confined to internal documentation or preparatory business activity. Trademark rights do not arise in abstract or as we say, the law does not confer proprietary rights in a vacuum; rather, those rights accrue through tangible trading and commercial activities that identify origin of products or services to the consumers.⁶ It is through such market-facing activities that a mark gains its distinctiveness, functions as a source-identifier and acquires enforceable proprietary character. Moreover, sporadic, incidental, or isolated use, particularly when not directed toward the market or divorced from actual commercial engagement, cannot qualify as trademark use in law.

46. The mere inclusion of a mark in a trading name does not, by itself, constitute use in the trademark sense. However, it is equally well recognised that many brands derive their commercial identity through consistent and public-facing use of their trading name, which, over time, may acquire the same source-identifying function as a conventional trademark. Courts have recognised that, in appropriate cases, a trading name may itself function as a badge of origin – capable of establishing goodwill and proprietary association, particularly when supported by corroborative evidence such as sales, advertising, and public recognition. This principle has been elucidated in ***Laxmikant V Patel v. Chetanbhai Shah***⁷, wherein the Supreme Court held that a trading name used consistently in the course of trade may acquire

⁶ See also: *Allegran Inc v. Intas Pharmaceuticals*, 2012 SCC OnLine Del 5293

⁷ (2002) 3 SCC 65



goodwill and be protectable under the common law doctrine of passing off.

Analysis of Evidence

47. The evidentiary foundation of the Plaintiffs' user claim is not without its limitations. There is no contemporaneous documentary evidence on record that demonstrates use of the trademark "NEHA" on product packaging or advertising materials as early as 1992, the date claimed in the trademark registration by the Plaintiffs. The earliest available document is the Income Tax Return filed by Mr. Vikas Gupta, in his capacity as proprietor of M/s Neha Enterprises, for the Assessment Year 1995-96 (Financial Year 1994-95). This evidentiary limitation is candidly acknowledged by PW-1 during his cross-examination dated 22nd September, 2022. When confronted with the absence of documents evidencing manufacturing activity from 1992, he responded as follows:

"Q31. It is put it to you that you have not produced any document on record proving that you have been manufacturing Hairs colour and hairs dye since the year 1992. (Objected to that question pertains to matter of record and the question is unnecessary). (Since the objection is to be decided by the Hon'ble Court, let the witness to reply).

A. I have placed on record ITRs of assessment year 1995-96, the same is being reflected therein."

48. The Chartered Accountant for the Plaintiffs [PW-7], who has verified their accounts, Income Tax Returns, and balance sheets, admitted during cross-examination that none of these documents explicitly mention the trademark "NEHA". In his testimony recorded on 19th October, 2022, he deposed that while he had relied on internal records to certify the financials, those records were not produced in Court. The relevant extracts of his cross-examination dated 19th October, 2022, are as follows:



“Q4. (Attention of witness is drawn to para no. 5 of AP7) You have mentioned in para no. 5 of your affidavit that you had verified the accounts, ITR returns and balance sheets.

A. It is correct to say that I had verified the accounts, ITR returns and balance sheets.

Q5. It is put to you that neither in the accounts nor in the Income Tax returns nor in the balance sheet, trademark is mentioned. Is it correct?

A. Yes, it is correct.

I have not brought that record today from which I had stated to have verified the accounts, ITR and balance sheet.”

49. Despite these gaps, it must, nonetheless, be acknowledged that notwithstanding the absence of explicit references to the trademark “NEHA” in the Income Tax Returns, PW-1 testified that he commenced business in the year 1992, operating from his father’s premises at Kolhapur Road, Kamla Nagar, Delhi. As per his deposition, M/s Neha Enterprises was engaged in the manufacture and sale of Mehendi, Mehendi Powder, and allied herbal preparations under the “NEHA” trademark. From inception, the enterprise also dealt with ancillary ingredients such as Ritha, Shikakai, and Trifla, products which are traditionally blended with Mehendi. PW-1’s testimony, remained consistent through cross-examination, was corroborated by PW-7, Plaintiffs’ Chartered Accountant, who affirmed joining M/s Neha Enterprises in 1992 and confirmed the use of the “NEHA” mark from the outset. Read together, these testimonies establish a credible narrative of commercial identity associated with the mark “NEHA” even though direct evidence to demonstrate use of the mark on the product from the earliest years is not available.

50. This narrative is reinforced by other contemporaneous documentary evidence. A trademark application in Form TM-1 [Ex. PW-1/D3] was filed in



1995 for “Herbal Preparations including Mehendi and Ubtan (Face Pack)”, claiming user since 1st April, 1992. Although the application was subsequently withdrawn owing to incorrect classification under Class 5 (Pharmaceuticals), it nevertheless constitutes an early, public assertion of adoption and proprietorship. While PW-1 admitted to the procedural error in registering under the wrong class, this does not erode the significance of the application as evidence of contemporaneous commercial presence.

51. The Plaintiffs have also produced a photograph of pouching material, marked as part of Ex. PW-1/20 (Colly), which pertains to the year 1995. Although the Defendant objected to the admissibility of this document on the ground that it was filed as part of Additional Documents after the institution of the suit, the record reflects that on 25th July, 2022, when PW-1 tendered the document, the original was produced, shown to the Defendant, and then returned to the Plaintiffs. Only thereafter was it marked as an exhibit and therefore, the Defendant’s objection of admissibility is overruled.

52. Further substantiation emerges from the Plaintiffs’ successful registration of the device mark “NEHA RACHNI MEHANDI” [device of two hands] under Application No. 861826, granted in 1999 in Class 3, also claiming user since 1992. Although this registration was removed in 2019 due to non-renewal, its successful registration corroborates the Plaintiffs’ narrative of prior use and their recognition as the proprietor of “NEHA” mark within the legal framework.

53. The evidence of continuous commercial use also emerges from the testimony of PW-1, recorded on 17th August, 2022 and 30th September, 2022 wherein he specifically deposed that from 2005 to 2012, M/s Vedica Herbals



manufactured products under licence from Plaintiff No.1, including “Neha Herbal Mehendi” and “Neha Mehendi Oil”. Following the transition of the business to Plaintiff No.2 in 2012, the same licensee continued to manufacture an expanded range of cosmetic preparations, including herbal colour creams, under the same mark. During cross-examination dated 17th August, 2022, PW-1 affirmed that the products [Ex. PW-1/D1 – Neha Fast Color] and carton [Ex. PW-1/D2 – Mono carton] were products manufactured by their licensee, M/s Vedica Herbals.

54. The Plaintiffs’ market presence is further illustrated through advertising evidence, notably the publication of advertisements for “NEHA” branded Herbal Mehendi in the widely circulated *Grihshobha* magazine in 2002 [Ex. PW-5/3], corroborated by certification from Delhi Press Patra Prakashan Pvt. Ltd. [Ex. PW-1/18]. The organisation of promotional events such as the “NEHA Mehndi Rachao” contest for school going children in the same year further cements the Plaintiffs’ public visibility and brand engagement.

55. The Plaintiffs’ financial trajectory, reflected in the Chartered Accountant’s certificate [Ex. PW-1/22] spanning financial years 1994 to 2019, shows a steady and substantial expansion of turnover under the “NEHA” brand, from modest beginnings to crores in revenue, corroborating both commercial use and the accumulation of goodwill. These documents reflect a continuity of commercial identity, representing continuous usage and the transition from a sole proprietorship to a corporate structure. The use of the mark “NEHA” has remained uninterrupted, consistent with the evolution of many small enterprises as they scale and institutionalise their operations.



Conclusion

56. Although the evidentiary record does not include sale invoices, product packaging or advertising materials from 1992 bearing the mark “NEHA,” this omission is not, by itself, fatal to the Plaintiffs’ claim. Trademark jurisprudence recognises that a mark used as part of a trading name, when actively deployed in the course of trade and recognised by consumers, can perform the same source-identifying function as a mark affixed directly to goods. The Plaintiffs’ Income Tax Returns dating back to 1994 reflect business activity under the name “M/s Neha Enterprises.” These financial records are supported by the mutually consistent and unrebutted testimony of PW-1 and PW-7. The Plaintiffs have also produced dated advertisements, promotional materials, and turnover records that establish commercial deployment of the mark “NEHA” from at least the mid-1990s onwards. Taken together, these materials form a coherent and credible evidentiary foundation demonstrating the Plaintiffs’ adoption and bona fide use of the mark “NEHA” in connection with Mehendi, herbal hair dyes, and allied personal care products from 1994 onwards.

Whether the Plaintiffs’ use of the trademark “NEHA” for Mehendi was in violation of the provisions of the D&C Act and the Rules framed thereunder, and if so, its legal effect?

57. Before concluding, it is necessary to address the Defendant’s challenge to the Plaintiffs’ claim of prior use, on the ground of alleged regulatory non-compliance. The Defendant contends that the Plaintiffs’ early use of the trademark “NEHA” in relation to Mehendi products – whether in powder or paste form – was in violation of D&C Act due to the absence of a valid



manufacturing licence. It is argued that such use, being contrary to statutory provisions, cannot be recognised in law and should be disregarded for the purposes of establishing proprietary rights in the mark.

58. In support of this contention, the Defendant relies upon Section 3(aaa) of the D&C Act, which defines “cosmetic” to include any article intended to be applied to the human body for cleansing, beautifying or altering appearance, etc. It is urged that Henna/Mehandi, being a substance used to colour hair and skin, squarely falls within the statutory definition of a cosmetic. The Defendant further cites Section 18(c) of the D&C Act, which prohibits manufacture for sale or distribution of any cosmetic except under, and in accordance with, a licence issued for such purpose. Reference is also made to Schedule S of the Drugs and Cosmetics Rules, 1945,⁸ which includes Henna-powder preparations within its regulatory ambit.

59. It is further pointed out that PW-1, in his cross-examination, that no such licence was obtained until the year 2005. The relevant extract from his testimony reads:

*“Q19. You have said in your last deposition that you had obtained drug license in the year 2005. Is this correct?
A. It is correct.”*

On the strength of this admission, the Defendant contends that the Plaintiffs’ purported use of the “NEHA” mark prior to this date was not legally tenable and thus, it cannot be recognised for the purposes of establishing trademark rights. In support, the Defendant relies on the decision of the Madras High Court in *Kewalchand & Ors. v. State of Tamil Nadu*.⁹

⁸ “D&C Rules”

⁹ 2020 SCC OnLine Mad 16256



60. The Defendant also draws attention to the packaging materials placed on record by the Plaintiffs [Exhibit PW-1/D2], which prominently display the manufacturing licence number. It is submitted that this undermines the Plaintiffs' suggestion that no regulatory requirement existed at the relevant time. The Defendant contends that the absence of a licence prior to 2005 cannot be treated as a mere procedural lapse, but amounts to a substantive illegality, one that taints the Plaintiffs' early commercial use of the mark and renders it ineligible for legal recognition under trademark law.

61. This line of argument, however, cannot be sustained in light of the regulatory position adopted by the competent authorities under the D&C Act. The High Court of Bombay in *Chutararam v. State of Maharashtra*¹⁰ after analysing the statutory provisions of the D&C Act and D&C Rules, held that there is no requirement to obtain a license under the D&C Act, for the manufacture of Mehendi Cone or Powder for sale or distribution. The relevant extracts of the judgment are as follows:

“12. Thus, the conjoint reading of Section 138, 139, 142 and Schedule M-II, it is clear that, no licence is required to manufacture Mehendi Cone or Mehendi Powder for sell or for distribution. The Jt. Commissioner, Head Quarters and Controlling Authority, has, thus issued the Circular to that effect in the year 2010 which still holds the field, wherein, it is stated unequivocally that no manufacturing licence is required for the manufacturing of Mehendi Products under the Provisions of Act of 1940. It is not the case that prior to issuance of the said circular, there were different provisions in the Act of 1940 and Rule of 1945 and in view of the certain amendments subsequently in the year 2010, the Jt. Commissioner constrained to issue the said circular dated 16.8.2010.”

[Emphasis Supplied]

¹⁰ 2016 SCC OnLine Bom 10818



62. This holding has also been relied upon by the High Court of Karnataka in *M/s Singh Mehendi Industries v. State of Karnataka*,¹¹ wherein it was clarified that although Henna Powder appears in Schedule S of the D&C Rules, on a conjoint reading of Rules 138, 139 and 142 along with Schedule M-II of the D&C Rules, no license is required to manufacture Mehendi cone or powder. It was further held that as per Rule 150-A, only the standard prescribed for the cosmetics in Schedule S has to be followed for Mehendi powder.

63. These judicial decisions suggest that, at one point, there may have been some ambiguity regarding the requirement of a manufacturing licence for Mehendi under the Drugs and Cosmetics Act. Nonetheless, the Plaintiffs did obtain such a licence in 2005. The Defendant's argument, that the very act of obtaining a licence amounts to an admission that the same was legally required is, however, misconceived. Compliance undertaken in an abundance of caution does not retroactively establish a legal obligation. A party may obtain a licence as a matter of commercial prudence, to pre-empt regulatory uncertainty, or in response to shifting administrative interpretations. The mere fact of seeking or holding a licence does not, in itself, establish the existence of a legal obligation, particularly where the competent authority has subsequently clarified that no such requirement applies. Therefore, unless there exists a clear statutory mandate, voluntary compliance with quality standards or registration protocols cannot be construed as a legal compulsion to obtain a licence.

64. Moreover, the Defendant's argument lies in the assumption that if the

¹¹ 2020 SCC OnLine Kar 5129



Plaintiffs had breached a regulatory condition, such breach would automatically bar the Plaintiffs from asserting proprietary rights in a trademark. This is not the correct position of the law. It is only when the use of a mark is *per se* illegal or contrary to public morality, such as in the case of marks associated with contraband, prohibited substances, or fraudulent activity, is when the said mark can be barred from use.

65. In the Court's opinion, regulatory non-compliance of the D&C Act alone would not vitiate the rights flowing from honest and continuous use. In the present case, there is no material to suggest that the Plaintiffs' business was fraudulent, concealed, or unlawful in a manner that would disqualify it from asserting rights in a mark it visibly used in commerce and built goodwill.

66. For all the foregoing reasons, the Plaintiffs' use of the trademark "NEHA" in relation to Mehendi products cannot be characterised as unlawful or in breach of any statutory prohibition. The continued subsistence of the Plaintiffs' registration under the Trade Marks Act, combined with clear and uncontroverted evidence of commercial use dating back to 1994, decisively rebuts the suggestion that such use was void, tainted, or undeserving of legal recognition. The Defendant's objection, lacks merit and cannot displace the Plaintiffs' established proprietary claim.

Defendant's Claim of Prior Use: Gaps and Weakness

67. Now, we proceed to examine the Defendant's claim of prior use which rests primarily on a manufacturing licence dated 13th September, 1990 [Ex. DW-1/1A] extracted below:



FORM 32
LICENCE TO MANUFACTURE COSMETICS FOR SALE

Number of licence and date of issue: M-875/Cos dt. 13.9.90

1. M/s. Sahni Cosmetics

is hereby licensed to manufacture on the premises situated at 46.50 - Gal. Maher Singh
Jat, Peharu, Dhing, Delhi-6.

the following cosmetics under the supervision of the following technical staff:

(a) Names of cosmetics: ① Vanishing Cream under the brand names 1) Nisha, 2) Sajni, 3) Chandni, 4) Madara, 5) Tinkle
② Pomade under the brand names 1) Sajni, 2) Vithika, 3) Alpna, 4) Parvati, 5) Chandni (Total ten items only)

(b) Name of technical staff: Pradeep Kumar Sharma

2. The licence shall remain in force from 13.9.90 to 31.12.91 (both days inclusive).

3. The licence is subject to the conditions stated below and to such other conditions as may be specified in the Drugs and Cosmetics Rules, 1945.

Dated 13.9.90 Signature: [Signature] Designation: [Signature]

Conditions of Licence

1. This licence and any certificate of renewal in force shall be kept on the approved premises and shall be produced at the request of an Inspector appointed under the Drugs and Cosmetics Act, 1940.
2. Any change in the technical staff shall be forthwith reported to the Licensing Authority.
3. If the licensee wants to manufacture for sale additional items he should apply to the Licensing Authority for the necessary endorsement on the licence as provided in rule 139(3). This licence shall be deemed to extend to the cosmetics so endorsed.

68. While this document indicates permission under the D&C Act to manufacture cosmetic goods, it does not, by itself, establish the use of a trademark. The test under Trademark law is actual use of the mark in the course of trade, in a manner that builds goodwill and distinguishes goods in the marketplace. A regulatory licence may authorise production, but it is no substitute for evidence of sales, market presence, or market-facing use of the mark. What must be shown is that the product was actually introduced into commerce under the asserted trademark, and that consumer association was established through such use. As held in *Khadi & Village Industries Commission v. Girdhar Industries & Anr.*¹² a license to manufacture is no evidence of actual manufacturing, much less user of a mark. This is because

¹² 2023 SCC OnLine Del 8446



a manufacturing licence may reflect intent or preparedness to produce goods under a particular mark, it does not demonstrate that such goods were, in fact, manufactured, marketed, or placed in the stream of commerce under that mark. Thus, the mere existence of a manufacturing licence, without evidence of real market presence through sales, advertising, or public trade activity under the mark, cannot establish prior user rights.

69. The hollowness of the Defendant's reliance on its D&C licence from 1990 is exposed by DW-1's own admissions in cross-examination dated 3rd January, 2023. When asked whether he had actually manufactured goods under the various trademarks for which licences were obtained, DW-1 candidly stated:

"I had obtained licenses for manufacturing goods under 18 to 20 trademarks but had done manufacturing only under 5-6 trademarks."

70. DW-1, therefore, confirmed that although the Defendant held a licence for vanishing cream and pomade, it had not manufactured any pomade, and instead had produced only fairness, turmeric and cold creams, products for which the Defendant admittedly did not hold a manufacturing licence at the relevant time. This discrepancy significantly undermines the credibility of the Defendant's claim of lawful use based on the licence.

71. The Defendant has also relied on sale invoices to prove their claim of being the prior user and adopter. The earliest sales invoices produced by the Defendant in support of use of the mark "NEHA" date from 2003 onwards, covering the period up to 2019 [Ex. DW-1/2A to Ex. DW-1/2X128]. The Plaintiffs raised objections regarding the admissibility and mode of proof of several of these documents, including Ex. DW-1/2A, Ex. DW-1/2B, Ex. DW-



1/2X14, Ex. DW-1/2X81 and Ex. DW-1/2X87 – Ex. DW-1/2X128 which are photocopies of original sales invoices. However, the original triplicate of these documents were produced during the course of trial and were seen and returned by the Plaintiffs’ counsel. Accordingly, these documents are admitted in evidence and the objection of inadmissibility is overruled. As to the objection on mode of proof, the record shows that when these documents were tendered in evidence on 15th November, 2022 by DW-1, proprietor of the Defendant, who issued the invoices. Moreover, original/ carbon copies were produced in Court, seen by both parties, and returned. Thus, the objection as to mode of proof is overruled.

72. Additionally, the Plaintiffs have also questioned the mode of proof of Ex. DW-1/3X1 to Ex. DW-1/3X28, which are photocopies of invoices relating to purchase of packaging material, from 1999 to 2011, on the ground that they were issued by third parties and were not proved through the testimony of their authors.

73. As clarified in *Sudir Engineering Company v. Nitco Roadways Ltd.*¹³ the evidentiary value of a document must be assessed in three stages: filing, admission, and proof. The mere marking of a document as an exhibit does not dispense with the requirement of formal proof. Admissibility allows a document to be read in evidence, but it is only at the stage of judicial evaluation that the Court determines whether the document is “proved,” “not proved”, or “disproved” within the meaning of Section 3 of the Indian Evidence Act, 1872. In this context, the Court must consider not just the document itself and the testimony of the witness who tenders it, but also the

¹³ 1995 (34) DRJ 86



probabilities emerging from the surrounding circumstances and the record as a whole.

74. The Defendant has examined DW-1 (Mr. Inder Raj Sahni) and DW-5 (Mr. Jatin Agarwal), proprietor of Julie Packaging Pvt. Ltd., one of the alleged vendors. Pertinently, at the time of tendering his affidavit, DW-5, perhaps erroneously, stated that he had *purchased creams from the Defendant*, against the bills referred to in his affidavit. Nonetheless, he identified the exhibits [Ex. DW-/3X8, DW-/3X9 and DW-/3X12] mentioned in his affidavit. Accordingly, the objection regarding mode of proof is resolved. In terms of the objection with regard to admissibility of the remaining documents, since the same were also duly tendered by DW-1, who was the recipient of the said invoices, this objection also stands resolved. In light of the above, Ex. DW1/3X1 to Ex. DW1/3X28 bearing the mark “NEHA” stand proved by the Defendant and are admitted in evidence.

75. Perusal of Ex. DW-1/3X1 to DW-1/3X28, reflect a sporadic and intermittent commercial activity of the use of the mark by the Defendant, earliest from 1999 onwards. There is nonetheless a conspicuous evidentiary gap of nearly a decade between the alleged commencement of use in 1990 and the first available document suggesting any form of commercial deployment of the mark. No sales invoice evidencing actual market circulation of NEHA-branded goods exists on record for the period between 1990 and 2002. The first such sales invoice, Ex. DW-1/2A, appears only in December, 2003, far remote from the asserted date of adoption.

76. Compounding this deficiency is DW-1’s own admission during cross-examination as extracted above, highlighting that while the Defendant had



obtained manufacturing licences for 18 to 20 trademarks, it had manufactured goods under only five or six of them. This, coupled with absence of corroborative material on market use, discredits the claim of active commercial use of the “NEHA” mark by the Defendant in the early 1990s.

77. None of the three vendor-witnesses examined [DW-2, DW-3, and DW-4] were able to credibly establish use of the “NEHA” mark prior to 1999. DW-2 admitted that he could not recall when he began selling NEHA-branded products. DW-3 gave vague and general responses about the types of creams sold, and DW-4 contradicted his own affidavit by stating in cross-examination that sales began only in 2008. As for DW-5, a packaging vendor, his testimony revealed that he began designing laminated pouches for the Defendant in around 2004-2005, again, well after the alleged commencement of use. Moreover, DW-5 failed to produce any corroborating material such as invoices, design proofs, or order records to support his claim. In the absence of reliable documentary evidence and in light of the inconsistencies in the oral testimonies, the Court finds that the Defendant’s claim of use since 1990 remains wholly unsubstantiated.

78. Further, Defendant’s own conduct before the Trade Marks Registry undermines its plea of prior adoption. Despite asserting use since 1990, the Defendant made no attempt to secure registration of the mark “NEHA” until 2006. The Defendant filed five trademark applications between 2006 and 2012, citing different and inconsistent dates of first use: 1st April, 1990; 22nd January, 2007; 12th May, 2008; and 9th November, 1998. All of these applications were either refused, withdrawn, or abandoned. The details of the Defendant’s failed registration attempts are tabulated below:




Trade Mark	Application No.	Use Claimed	Goods & Services	Status	Exhibit No.
NEHA	1462077 dated 16 th June, 2006	1 st April, 1990	Class 3: Cream and Vanishing Cream	Refused	Ex. PW-1/30 ALSO Ex. PW-3/3.
NEHA AND LOVELY	1525041 dated 22 nd January, 2007	22 nd January, 2007	Class 3: Hair Oil, Fairness Cream, Body Lotion, Face Wash, Shampoo Cosmetics, Soaps, Perfumery, Essential Oil	Withdrawn	Ex. PW-1/33 ALSO Ex. PW-3/6
NEHA RATAN	1688396 dated 16 th May, 2008	12 th May, 2008	Class 3: Hair Oil, Facial Creams, Body Lotion & Cosmetics	Refused	Ex. PW-1/31 ALSO Ex. PW-3/4
NEHA	2153566 dated 2 nd June, 2011	9 th November, 1998	Class 3: Perfumes, Toilet Water, Gels, Salts for Bath and the shower not for medicinal purpose, toilet soaps, body, deodorants,	Abandoned	Ex. PW-1/32 ALSO Ex. PW-3/5



			cosmetics namely cream milks, lotions, gels and powders for the fact, the body and the hands, lipstick, nail polish, hindi, sindoor, bleaching preparation, sun care preparations (cosmetic products) make up preparations, shampoos, gels, spray, mouses and balms for the hair styling and hair care, hair lacquers hair colouring and hair de colorants preparations, permanent waving tooth paste, shaving cream & after shave lotion, cosmetics goods like mehendi, face creams, colour dies,		
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			hair oil, talcum powder, tooth paste, shaving cream & after shave lotion		
	3130594 dated 18 th December, 2015	9 th November, 1998	Class 3: Cream, Lotions, Perfumes, Gels, Body Deodorants, Milks, Gels and Powders for the face, the body and the hands, Petroleum Jelly	Abandoned	Ex. PW- 1/34 ALSO Ex. PW- 3/7 ALSO Ex. PW- 3/8

79. The declarations made in the afore-noted Trade Mark Applications directly contradicts DW-1's own testimony, wherein he admitted that the Defendant had never manufactured or sold several of these products.

“Q.29. Do you manufacture or have manufactured in the past products namely Pomade, hair oil, talcum powder, white petroleum jelly and shampoo?”

A. I am not manufacturing those products at present. So far as my memory goes in the past also we had not manufactured those products.

Q.30. Do you manufacture or have manufactured in the past products namely toothpaste, shaving cream,. after shave lotion, perfumes, bath soaps, lipsticks, nail polish, bindi, sindoor, toilet soaps, body deodorants, hair remover, bleach, lip balm, mehendi and sunscreen?”

A. I had never manufactured those products in the past and I am also not manufacturing them now. (Vol.) I do not have the license to manufacture the same.

Q.31. I put it to you that you have claimed use of all the above items referred to in question No.29 and 30 since in the year 1998 as per the trademark



applications submitted trademark registry. What would you like to say? (The attention of the witness is drawn to Ex-PW-1/32 and PW-1/34 (which are also exhibited PW-3/5 and PW-3/7)

A. It is a matter of record.

Q.32. I put it to you that you have claimed false information as to the use of the products from the year 1998 refer to in the question no.29 and 30. What would you like to say?

A. This is an information which had been put in the said applications by the advocate who we had hired. We had only informed him about the usage of cream.”

80. The Defendant has also taken inconsistent positions with respect to the claimed date of first use. While pursuing Application No. 3130594, the Defendant filed an affidavit before the Trade Marks Registry declaring first use of the “NEHA” mark from 1998. This directly contradicts the current stand taken in these proceedings that the mark was adopted in 1990. The principle of estoppel squarely applies in such circumstances. A party cannot approbate and reprobate with respect to the date of first use when making conflicting claims before the Registry and the Court. Therefore, such contradictory statements significantly erode the credibility of the Defendant’s claim of prior use.

Conclusion

81. The Plaintiffs established use of the mark “NEHA” from at least 1994 and are also the registered proprietor. Accordingly, the burden shifted to the Defendant to demonstrate credible and sustained commercial use of the mark prior to that date.

82. For a defence under Section 34 of the Trade Marks Act to succeed, the Defendant was required to establish prior and concurrent use of the mark and which predates the Plaintiffs’ registered use. However, they have failed to



discharge this burden. The documentary evidence relied upon, comprising primarily a manufacturing licence from 1990 and certain invoices, does not establish trademark use in a legal or commercial sense. The manufacturing licence relied upon is not accompanied by sales records, advertising, or any contemporaneous documentation of actual trade under the mark “NEHA” from 1990 to 1999. The first set of purchase invoices that bear the mark only emerges in 1999. DW-1’s admissions during cross-examination, coupled with the inability of other defence witnesses to corroborate the claim of early and consistent use, further undermine the credibility of the Defendant’s position. On the whole, the Court finds that the Defendant’s use, if any, cannot be traced with certainty to a date earlier than the Plaintiffs’ use. Accordingly, the Defendant’s invocation of Section 34 must fail. Their defence of prior use is unsustainable and is rejected. **Thus, Issues No. 2 and 3 are decided in favour of the Plaintiffs and against the Defendant.**

Issue No.6

83. The Defendant seeks cancellation of the Plaintiffs’ trademark registration on the ground that it was allegedly obtained by misrepresentation, false claim of prior use, and non-use for a continuous period exceeding five years. It is argued that the Plaintiffs were as not the true proprietor of the mark “NEHA” at the time of registration and that the registration was fraudulently obtained despite the Defendant allegedly being the prior user of the mark, particularly in relation to creams. The Defendant further argues that on the basis of their longstanding use of the mark for face creams, the mark gained a distinctive character associated with the Defendant – thereby building goodwill and reputation which is being encashed upon by the Plaintiffs’ use



of the mark.

84. The Defendant also contends that the mere fact of registration does not, by itself, establish use of a trademark. This principle finds authoritative support in the judgment of the Supreme Court in ***Corn Products Refining Co. v. Shangrila Food Products Ltd.***¹⁴ wherein it was held that the mere presence of a trademark on the Register cannot, in itself, be treated as evidence of its commercial use.

85. The Court finds no merit in Defendant's arguments. The Defendant has not succeeded in proving prior and continuous use of the mark "NEHA" prior to the Plaintiffs' adoption and registration. As regards other grounds of challenge, it must be emphasised that under Section 28(1) of the Trade Marks Act, the registered proprietor of a trademark is conferred the exclusive right to use the mark in relation to the goods or services for which it is registered. So long as the registration remains valid and subsisting on the Register, the rights under Section 28(1) are enforceable and binding against third parties.

86. No doubt, the Trade Marks Act also provides a statutory mechanism for removal or cancellation of a registered trademark under Sections 47 and

87. However, any such challenge must conform to the specific grounds enumerated therein, such as non-use, absence of *bona fide* intention to use, or invalid registration. Importantly, these grounds must be substantiated by clear, cogent, and contemporaneous evidence. In ***Rong Thai International Group Co. Ltd. v. Ena Footwear (P) Ltd.***,¹⁵ the Court held that allegations of non-use must be supported by "clear and convincing evidence" and cannot

¹⁴ AIR 1960 SC 142

¹⁵ 2024 SCC OnLine Del 66



rest on speculative assertions or inferential claims. In the absence of such proof, the presumption of validity under Section 31 continues to operate in favour of the registered proprietor.

88. Accordingly, the challenge to the Plaintiffs' registration fails. **Issue No. 6 is decided in favour of the Plaintiffs and against the Defendant.**

ISSUES NO. 4 AND 5

Whether the Plaintiffs are guilty of concealment and suppression as alleged by the Defendant? (OPD)

Whether the suit is barred on account of delay, laches and acquiescence as alleged by the Defendant?(OPD)

89. The Defendant alleges that the Plaintiffs are disentitled to relief on grounds of concealment of material facts, undue delay, and acquiescence. It is contended that the Plaintiffs, despite having knowledge of the Defendant's use of the mark "NEHA" for cosmetic creams since at least 2003, took no legal action until 2019, when the present suit was instituted. According to the Defendant, this unexplained and inordinate delay amounts to tacit acceptance and results in waiver of rights by conduct. It is further alleged that the Plaintiffs, having remained inactive for over 15 years, now seeks to invoke a subsequently acquired registration to oust a concurrent user who, during this period, has independently built goodwill and market presence.

90. The Defendant further contends that the Plaintiffs have failed to disclose material facts regarding its awareness of the Defendant's use of the mark "NEHA", and that such suppression disentitles it to relief. This plea is, however, unsupported by the record.

Allegation of Concealment and Suppression



91. The Plaintiffs' pleadings clearly outline the scope of its use, the evolution of its product line from Mehendi to herbal cosmetics, the assignment and licensing history, and the filing of the trademark application for creams in May, 2019. The plaint expressly states that the Plaintiffs came to know of the Defendant's product only in 2019 when a sales representative encountered it at M/s Manchanda General Store, Sadar Bazar. The suit was instituted shortly thereafter, on 4th June, 2019.

92. There is no credible evidence to contradict this account or to establish that the Plaintiffs had actual knowledge of the Defendant's activities before 2019. The Defendant's assertion that the Plaintiffs were aware since 2003 relies solely on a sales invoice allegedly issued to M/s Manchanda General Store on 5th March, 2003. However, the document is unproved, and its evidentiary value is further diminished by the Defendant's own testimony. DW-1, in his cross-examination dated 3rd January, 2023 admitted that M/s Manchanda General Store was neither a dealer nor a distributor of the Defendant. He stated he had general dealings with the shop but conceded, in response to Q. 48, that M/s Manchanda General Store refused to testify on his behalf. When asked whether M/s Manchanda was a dealer of the Plaintiffs, DW-1 first confirmed that he was ,in response to Q.50, but then contradicted himself in Q.51, saying he had only "heard it from someone" and that it was possible M/s Manchanda was not a dealer but merely a wholesaler. The relevant extracts of DW-1's testimony are as follows:

"Q48. Can you produce M/s. Manchanda General Store as a witness in this case?"

(Objected to - not relevant for the case and defendant has already filed the list of witnesses to be examined in this case.)

Ans. I had although asked him, but he had not replied to me properly.



Q50. Are you aware that M/s. Manchanda General Store is neither a distributor nor a dealer of the plaintiffs?

Ans. For some time, M/s. Manchanda General Store had been a dealer of the plaintiffs and it had been selling their goods. Even today, it is selling their goods.

Q51. I put it to you that M/s. Manchanda General Store is selling goods of the plaintiffs, just as a wholeseller and it neither has any dealership nor distributorship agreement with the plaintiffs. What would you like to say?

Ans. It is possible that M/s. Manchanda General Store may not be a dealer or distributor of the plaintiffs. I had heard it from some one and therefore, I had stated so in my statement.”

93. These contradictions demonstrate that the Defendant’s attempt to impute concealment is speculative and not supported by any formal or credible relationship with M/s Manchanda General Store. Moreover, the Defendant cannot shift the burden to the Plaintiffs to monitor independent retailers in the absence of widespread market visibility or clear evidence of alleged infringing sales.

Delay, Laches, and Acquiescence

94. The Defendant argued that in paragraph No. 8 of the plaint, the Plaintiffs admit to having only recently expanded into the creams segment and to having filed Application No. 4182573 dated 21st May, 2019 for registration of the mark “NEHA” in respect of creams. Further, reliance is placed on the Plaintiffs’ acknowledgement of Exhibits PW-1/D7 and PW-1/D8, which are trademark applications filed by Plaintiff No. 2 for registration of the mark “NEHA FAST HENNA” and device mark “NEHA MAGIC” and include the objections raised by the Trade Mark Registry on 2nd July, 2013 where there are references to the Defendant’s prior trademark applications – Application No. 1462077 (filed in 2006) and Application No. 3130594 (filed in 2015). These documents, the Defendant contends, clearly demonstrate that



the Plaintiffs had knowledge of the Defendant's claim over the mark "NEHA" in respect of creams, yet chose not to enforce its rights until much later.

95. Additionally, the Defendant urged that if not from 2003, the Plaintiffs were definitely aware of the Defendant's claim to proprietorship of the mark "NEHA" since 2nd July, 2013, when the Trade Mark Registry raised objections on the registration of the device mark "NEHA MAGIC" due to certain conflicting marks – including that of the Defendant.

96. It is further urged that during this intervening period, the Defendant was permitted to build an independent reputation and customer base for "NEHA" branded creams. The Plaintiffs' own trademark application dated 21st May, 2019, wherein the Plaintiffs proposed to use the mark "NEHA" in relation to creams, clearly shows that the Plaintiffs were planning to enter the creams segment only in 2019 – despite being aware that the Defendant had been selling creams under the "NEHA" mark for many years. Thus, the Plaintiffs' action, initiated only after filing its own registration application for creams is a belated and strategic attempt to evict a prior user from a commercially distinct segment that the Plaintiffs had previously not ventured into. The Plaintiffs have not only delayed enforcement of its rights but has also acquiesced in the Defendant's use of the mark in relation to creams.

97. The doctrine of laches or acquiescence does not apply unless (i) the Plaintiffs had clear knowledge of the Defendant's infringing use; (ii) such use continued for a prolonged period without objection, and (iii) the Defendant altered its position or suffered prejudice in reliance on the Plaintiffs' inaction.

98. The Defendant's argument that the Plaintiffs had constructive knowledge of the Defendant's use, due to common distributors or the



Plaintiffs' later applications for creams, is too speculative to qualify as acquiescence. In ***Power Control Appliances v. Sumeet Machines Pvt. Ltd.***,¹⁶ the Supreme Court held that:

“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”

99. Likewise, in ***Midas Hygiene Industries Pvt. Ltd. v. Sudhir Bhatia***,¹⁷ the Supreme Court observed that:

“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.”

100. The Plaintiffs hold valid and subsisting trademark registrations. The mere fact that they expressed an intention to expand into creams and filed a fresh application in 2019 does not dilute their core trademark rights, nor does it amount to acquiescence in favour of a third party's use, particularly where the Defendant has never secured registration for the impugned mark. There is no material on record to suggest that the Plaintiffs encouraged or knowingly permitted the Defendant's use of the mark, or that they stood by despite clear

¹⁶ 1994 SCC (2) 448

¹⁷ AIR ONLINE 2004 SC 102



knowledge of such use. On the contrary, the earliest credible evidence of the Plaintiffs' awareness of the Defendant's product dates only to 2019. The Defendant's reliance on its own failed trademark applications from 2006 and 2015 does not advance its case, as those applications were either refused or abandoned, and the Plaintiffs were under no legal obligation to initiate opposition proceedings at that stage. The Plaintiffs' statutory rights as registered proprietors under Sections 28 of the Trade Marks Act remain enforceable.

101. The affidavits of DW-2, DW-3, and DW-4, relied upon by the Defendant also do not support the claim of delay or acquiescence. In cross-examination, each of those witness admitted to having dealings with the Plaintiffs. None had ever sold products bearing the Plaintiffs' mark. DW-3 acknowledged he had no agreement with the Defendant and had never stocked the Plaintiffs' goods. DW-4 similarly confirmed the absence of any commercial tie-up and denied having sold any of the Plaintiffs' products. At best, these individuals were occasional retailers with no insight into the Plaintiffs' operations. Their testimonies do not establish constructive knowledge, nor does it demonstrate prolonged market coexistence that could give rise to a plea of acquiescence.

Conclusion on Issues No. 4 and 5

102. In light of the foregoing, the Court finds no merit in the Defendant's objections on the grounds of suppression, delay, laches, or acquiescence. The Plaintiffs have disclosed all relevant facts, instituted the suit within days of gaining knowledge of the Defendant's alleged infringing product, and have



demonstrated consistent rights in the mark “NEHA” through valid registration and evidence of long-standing use. The Defendant’s speculative assertions, unproven documents fail contradictory testimonies fails to meet the threshold required to establish equitable defences to dismiss the suit on these grounds.

103. Accordingly, Issue No. 4 is decided against the Defendant and Issue No. 5 is answered in favour of the Plaintiffs.

ISSUE NO. 8:

Whether the use of the impugned trademark “NEHA” by the Defendant amount to infringement of the Plaintiffs’ registered trademark “NEHA”? (OPP)

104. The numbering of this issue as “Issue No. 7” in the order dated 21st September, 2020, appears to be a clerical error. It shall be read and considered as Issue No. 8.

105. The Plaintiffs seek to restrain the Defendant from using the mark “NEHA” on cosmetic creams on the strength of a registered trademark, which primarily covers Henna-based goods. The Plaintiffs’ claim is founded under Section 29(2)(a) of the Trade Marks Act, alleging that infringement is caused when an identical mark is used by another for identical or similar goods, creating a likelihood of confusion.

106. As noted above, Plaintiffs’ valid registration of the trademark “NEHA” covers goods falling in Class 3, specifically including “*Kali Mehandi, Mehandi, Ritha, Amla, Shikakai Powder, Trifla, Mehandi Oil and Herbal Mehandi*”. In addition, the Plaintiffs also holds registration for “NEHA HERBALS” for “*Mehandi, Henna, Herbal Mehandi, Herbal Henna, Black*



Mehandi, Burgundy Mehandi, Herbal Colors for Hair, Herbal Color Cream, Natural Hair Color, Herbal Shampoo, Mehandi Oil, Mehandi Cone and Fast Henna”. The Defendant, on the other hand, uses the mark “NEHA” in connection with cold creams, vanishing creams, turmeric creams, and fairness creams.

107. There is no dispute that the competing marks are structurally, phonetically and conceptually identical. Accordingly, the first requirement under Section 29(2)(a) of the Trade Marks Act, “identity of the marks” is clearly satisfied. The real controversy lies in whether the competing goods are similar, such that use of the impugned mark amounts to infringement under Section 29(2)(a). In trademark jurisprudence, this inquiry turns on whether the goods can be considered “cognate” or “allied” in the eyes of law. It is this question of legal and functional similarity, that now falls for determination.

108. The Plaintiffs seek to rely on the cross-examination dated 11th January, 2023, where DW-1 allegedly admitted that products like Mehandi and creams are both treated as cosmetics.

“Q54. Would it be correct to say that the “Mehandi” and “Creams” fall in the category of cosmetics?

Ans. It is correct.”

109. It is not in dispute that products of both parties fall under Class 3, the class for which the Plaintiffs hold a valid registration. However, the test for determining similarity of goods under Section 29(2)(a) of the Trade Marks Act is not confined to nomenclature or classification; it is a multi-dimensional inquiry. It requires consideration of several interrelated factors: the nature and composition of the goods; their intended purpose and method of use; the trade



channels through which they are marketed; the profile of the purchasing public. Further, these elements are not to be applied in isolation but must be assessed holistically, with the ultimate question being whether the use of an identical mark on such products is likely to cause confusion or lead an average consumer to assume an association between the sources.¹⁸

110. Therefore, the class overlap does not, by itself, establish that they are “similar goods” for the purposes of infringement under Section 29(2)(a) of the Trade Marks Act. The NICE Classification system is primarily an administrative tool for trademark registration and does not determine the legal standard for infringement, which hinges upon commercial similarity and the likelihood of consumer confusion. In *Vishnudas Trading as Vishnudas Kishendas v. Vazir Sultan Tobacco Co. Ltd.*¹⁹ Supreme Court inferred that the broader concept of a “class” of goods under the Trade Marks Act may comprise of a variety of separately identifiable goods which are not of the same description as commonly understood in trade or in common parlance.

111. Thus, despite fact that both Henna and creams may fall within the broad umbrella of cosmetics under Class 3, but they are not functionally interchangeable or competitive. They serve distinct purposes, have different ingredients, and are marketed with separate consumer expectations. They differ materially in their nature, purpose and formulation. Plaintiffs’ products are largely plant based and are traditionally used as a natural dye for the hair or body art application and are culturally associated with ceremonial or festive occasions, particularly in the Indian subcontinent. In contrast, the Defendant’s

¹⁸ See also: *FDC Limited v. Docsuggest Healthcare Services Pvt. Ltd.*, 2017 SCC OnLine Del 6381

¹⁹ (1997) 4 SCC 201



goods are emulsified chemical-based creams marketed for daily skin care use, such as cold cream, turmeric cream, and fairness cream. They are typically used for therapeutic or aesthetic reasons unrelated to the ornamental or dye-based function of Henna. Therefore, the mere fact that the same fall under the same class cannot be said to be allied or cognate to each other.

112. Furthermore, to demonstrate similarity, Plaintiffs have relied on DW-1's cross-examination dated 11th January, 2023, wherein he admitted that Mehendi and creams are sold to the same segment of consumers and at the same retail spaces.

“Q55. Can you tell us that who are generally the consumers of the said two products namely “Mehandi” and “Creams”?”

Ans. I can only say this much that those who need “Mehandi” would buy “Mehandi” and those who want to use “Cream” would use “Cream”.

Q56. Would it be correct to say that these two products are purchased by consumer irrespective of their gender?

Ans. It is correct.

Q57. Is it correct that both these products generally are sold at the same Counter/Shops?

Ans. It is possible.”

113. From the above extract, no doubt, it emerges Mehendi and creams are both sold at same counters, cater to overlapping consumer groups, and move through similar trade channels. However, these admissions, while relevant, are not dispositive. The legal test for “similar goods” under Section 29(2)(a) is not satisfied by shared points of sale or overlapping demographics alone; Courts must examine whether, in the perception of the average consumer, the goods are likely to be confused to have emanated from the same source owing to the use of the mark.

114. Indeed, the Courts have often relied on distinctions in trade channels as



one of the indicators for assessing similarity of goods, particularly in the context of determining whether the use of similar or identical trademarks would give rise to confusion. However, in the modern retail landscape, this distinction has become increasingly porous. Departmental stores, supermarkets, and online marketplaces now routinely offer a wide range of products, from food items to cosmetics and household goods, within a single retail environment. As a result, consumers may encounter unrelated categories of goods side by side. Therefore, while the trade channel test remains a relevant factor, it must now be applied with greater contextual sensitivity. The co-location of dissimilar goods may increase the possibility of incidental exposure or association, but does not, by itself, establish a likelihood of confusion as to the source. In such circumstances, the inquiry must remain focused on whether the average consumer, exercising ordinary care, would perceive the goods as emanating from the same trade origin.

115. Therefore, the mere fact that both categories of goods are sold in the same retail shops or even placed on the same shelves is not, by itself, sufficient to erase their functional and commercial distinctions. In the absence of any evidence showing that consumers associate these goods as emanating from the same source, the likelihood of confusion arising solely on account of co-location in retail spaces is too remote to meet the statutory standard under Section 29(2)(a).

116. We must also note the strength of the mark in question. “NEHA” is a common Indian forename, not a coined or inherently distinctive word. In trademark jurisprudence it is well settled that marks comprising everyday/common names or generic expressions do not, by themselves,



command the highest level of legal protection. Thus, considering the nature of the mark, which is neither composite nor invented and lacks inherent distinctiveness, the threshold for establishing secondary meaning is notably high. The question is not merely whether the claimant has used the mark, but whether the mark has come, over time, to identify a single commercial source with respect of the goods used under the said mark. It bears no reiteration that mere use of a mark, even if continued over a period of time, is not by itself sufficient to establish enforceable rights under trademark law. What must be shown is that the mark, through its use in trade, has acquired a distinct association in the minds of the relevant consumer base with the claimant's goods and none other.

117. In *Vasundhra Jewellers Pvt. Ltd. v. Kirat Vinodbhai Jadvani & Anr.*,²⁰ this Court while dealing with a dispute involving a commonly used name held that the plaintiff's/appellant's use of the trademark "VASUNDHRA", in respect of jewellery, did not entitle them exclusive rights to use the same across all product categories in the same class. The Court in that case had held:

"45. Keeping in view the above parameters, in my view, the plaintiff has not been able to make out a prima facie case for grant of prohibitory interim injunction against the defendant no. 1. As noted hereinabove, the registration and use of the mark of the plaintiff is in a device of it, though 'VASUNDHRA' is a predominant part. Equally, 'VASUNDHRA' is a common name in India and an exclusive right to use the same cannot be granted to the plaintiff. The goods of the plaintiff and the defendant no. 1, though cognate, are distinct. Presently, the plaintiff has not even contended that it has plans of trade progression, that is, to expand its business to other goods including those of the defendant no. 1. The area of operation of the plaintiff and the defendant no. 1 is also distinct; with the plaintiff being in Delhi, while the defendant no. 1 being predominantly in

²⁰ 2022 SCC OnLine Del 3370



*the State of Gujarat. **The defendant no. 1 also has developed suitable goodwill of the mark in its favour, as is evident from its claim of having a gross sale of Rs. 13.30 Crore approximately between the period of December, 2020 to April 2022.** Merely because the plaintiff deals in jewellery items, which by themselves are more costly thereby resulting in a higher turnover for the plaintiff, will not give a better right to the plaintiff over an otherwise a common name in India.”*

[Emphasis Supplied]

118. To claim exclusivity over trademark “NEHA,” the Plaintiffs were required to demonstrate that this common word had acquired a secondary meaning. This necessitated production of cogent and credible evidence, such as advertising expenditure, market share, sales figures, consumer surveys, or other indicators of brand recognition that extend beyond mere presence in the marketplace.

119. However, the Plaintiffs have failed to establish this aspect. The goodwill generated by the mark “NEHA” over the years has been confined to Mehendi and allied herbal preparations. There is no evidence on record to suggest that the Plaintiffs having expanded into the cream segment or extended their product line beyond the Mehendi category. Pertinently, the Plaintiffs have not placed any material on record to demonstrate that, at the time of the Defendant’s adoption of the mark, an average consumer encountering a cold cream branded “NEHA” would have associated it with the Plaintiffs’ products. In the absence of such evidence, it is not possible to conclude that the Plaintiffs’ mark had, at the time of Defendant’s adoption, acquired the status of a source identifier across disparate product categories.

120. Further, granting the relief sought by the Plaintiffs would, in effect, amount to conferring exclusive rights over a mark that lacks inherent distinctiveness. The Supreme Court in *Nandhini Deluxe v. Karnataka Co-*



Operative Milk Producers Federation Ltd.,²¹ while considering another common Indian Name “NANDHINI” / “NANDINI”, in respect of the same class of goods, categorically observed that there is no principle of law that once the trademark is registered in respect of the goods/services falling in one class, it would be impermissible to have another registration of the trademark for another good whose nature is different, in cases where there is a prior user of the same trademark. Registration in a particular class does not automatically entitle the proprietor to exclusive rights over all goods falling under that class. This view has also been elucidated by a Coordinate Bench of this Court in *Osram Gesellschaft Mit Beschränkter Haftung v. Shyam Sunder*,²² observing as follows:

“10. As a matter of fact a registered trade mark holder cannot in law claim exclusive monopoly rights for its trade mark as extended to goods of all descriptions falling within the same class in which its sole and solitary product falls. If that is permitted then it would tantamount to preventing the other traders and manufacturers to get registered their distinctive articles which also fall under the same class of general classification. Appellant's trade mark in class 11 no doubt has been used on a large scale but for electric lamps only. But as already pointed out above the electric lamps by no stretch of imagination can be equated with room heaters, hot air circulators, domestic baking ovens, fans etc. nor these can fall in the same category of goods. Moreover, respondent's goods in class 11 are not marketed through a common trade channel. Those goods which the respondent wants to get registered in class 11 are marketed as distinct articles of use in different manner. In common trade channels such articles are not only held different and distinct articles but are marketed separately.”

[Emphasis Supplied]

121. In such circumstances, functional dissimilarity weighs heavily against the Plaintiffs’ claim of infringement under Section 29(2)(a). In the absence of

²¹ (2018) 9 SCC 183

²² 2002 SCC OnLine Del 423



any evidence demonstrating brand spillover or consumer recognition extending beyond the Plaintiffs' established product category, statutory exclusivity cannot be invoked to restrain use of the mark in relation to unrelated or dissimilar goods.

122. While the Plaintiffs have not made out a case of infringement under Section 29(2)(a) of the Trade Marks Act, given the functional dissimilarity between the parties' goods, it becomes necessary to consider whether infringement may nonetheless arise under Section 29(4). This provision addresses a different species of infringement: one that applies even where the goods or services are dissimilar, provided certain additional conditions are satisfied.

123. Under Section 29(4), three cumulative requirements must be met:

- (i) The impugned mark must be identical or similar to the registered trademark;
- (ii) The registered trademark must have acquired a reputation in India; and
- (iii) The use of the impugned mark must be without due cause, and must take unfair advantage of, or be detrimental to, the distinctive character or repute of the registered mark.²³

124. Section 29(4) is designed to protect marks that are well-known or have acquired such fame that their use on dissimilar goods would amount to unfair advantage or dilution. This provision is thus aimed at preventing dilution of reputed marks, by prohibiting parasitic use, blurring, or tarnishing, even where there is no direct competition or consumer confusion. However, it imposes a higher evidentiary threshold, especially in proving reputation and

²³ *Renaissance Hotel Holdings Incorporated v. B. Vijaya Sai and Others*, 2001 SCC OnLine Del 1051.



the manner in which the defendant's use harms or exploits the mark. Here the Plaintiffs have neither pleaded such a case nor have they proved that the mark "NEHA" had acquired a reputation across India or abroad at the time of the Defendant's adoption.

125. The Plaintiffs' reputation for Mehendi and allied herbal preparations cannot travel to distinct goods such as face creams, despite being in the same class. Thus, in the absence of cogent material on record by the Plaintiffs to establish that their registered mark "NEHA" had acquired reputation in cold creams, a segment where the Defendant has been the prior adopter, the claim for infringement under Section 29(4) would be untenable.

126. Accordingly, **Issue No. 8 is decided against the Plaintiffs.**

ISSUE NO. 7

Whether the use of the impugned trademark "NEHA" by the Defendant likely to cause confusion or deception, leading to passing off of Defendant's products as those of the Plaintiffs'? (OPP).

127. In addition to asserting statutory rights as the registered proprietor of the trademark "NEHA" in Class 3, the Plaintiffs also invoke the common law right of passing off. It is contended that the Defendant's use of an identical mark for cosmetic products, including creams, amounts to passing off, as it is likely to cause confusion among consumers and erode the distinctiveness and reputation associated with the Plaintiffs' mark.

128. The right to sue for infringement flows from registration. However, the tort of passing off is a common law remedy predicated on the principle that no person is entitled to represent their goods as those of another. This claim protects both the business reputation of a trader and the consumer trust, and



revolves around preventing one party from misrepresenting their goods or services as those of another. In this action, the presence or absence of a common field of activity between the claimant and the defendant is a relevant, though not conclusive, consideration. It nonetheless assists the Court in determining whether a consumer encountering the defendant's use of a name or mark is likely to assume a trade connection with the claimant. Where the defendant's business falls within an area that might reasonably be regarded as a natural extension of the claimant's trade, whether by category, brand architecture, or consumer expectation, Courts are more willing to infer a likelihood of deception. However, where the parties operate in entirely distinct or remote sectors, deception may still arise if the claimant's mark is shown to be highly distinctive or well-known, and the defendant's use of the mark is closely imitative – whether in terms of style, lettering, or overall presentation. Thus, even where the goods are not identical or similar in the strict sense, a passing off claim may nonetheless succeed, provided the claimant can establish that the defendant's use amounts to a misrepresentation which is likely to cause confusion and results in, or is likely to result in, damage to the claimant's goodwill.

129. That said, the gravamen of a passing off action lies in the classic trinity test, as enunciated in the House of Lords decision in *Reckitt & Colman Products Ltd. v. Borden Inc.*,²⁴ and applied by Indian Courts, including in *Cadila Health Care Ltd. v. Cadila Pharmaceuticals Limited*.²⁵ The test comprises of three prongs – (a) reputation of the Plaintiff, (b)

²⁴ 1990 (1) All ER 873 (HL)

²⁵ 2001 (5) SCC 73



misrepresentation to the public by the Defendant, and (c) damage to the Plaintiffs' goodwill or reputation caused from the Defendant's impugned actions. Thus, we must assess the competing claims of the parties on these benchmarks.

Goodwill and Reputation

130. In a passing off action, the claimant must show that the goodwill built around the mark is not only real but also relevant to the defendant's field of activity. Where a claimant has not entered, or even signalled credible market presence in, a particular product segment, the Court cannot presume that goodwill naturally extends to it. The scope of goodwill, like its existence, must be proved, not presumed. This invites a more fundamental inquiry: What is the precise scope of the Plaintiffs' goodwill in the mark "NEHA"? Even assuming that such goodwill is established, the Court must examine whether it is confined to Mehendi and allied herbal preparations – where the Plaintiffs have demonstrably traded – or whether it extends across the broader cosmetic category, including face creams.

131. The law on this issue is clear. Goodwill is not a blanket right. It is inherently product-specific and context-bound. Goodwill must be linked to a particular trade, product, or business segment. There is a distinction between goodwill in a particular line of goods and goodwill in a brand as a house mark or umbrella brand. Brand reputation does not automatically spill over from one product type to another unless there is evidence of brand extension, market association, or consumer recognition that bridges the two segments.

132. The Plaintiffs have demonstrated goodwill in relation to products such as Mehendi, Henna, Ritha, Amla, and allied products. These are culturally



familiar, low-cost, and purpose-specific personal care items that are used episodically. The Plaintiffs have not placed any credible material, such as advertisements, product packaging, endorsements, or market surveys, suggesting that the public associates the mark “NEHA” with a wider array of cosmetic products, such as face creams, moisturisers, or fairness products.

133. The Plaintiffs’ Application No. 4182573 for the mark “NEHA” dated 21st May, 2019 in respect of creams and allied cosmetics was filed on a “proposed to be used” basis and remains pending. There is no evidence on record to suggest that the Plaintiffs have extended their commercial footprint beyond Mehendi based preparations. Thus, the brand “NEHA” appears to have built its goodwill within the specific niche of herbal Mehendi products, a field that is distinct in its application, composition, and consumer expectations from skincare products such as fairness creams or moisturisers.

Misrepresentation

134. The Supreme Court in *Kaviraj Pandit Durga Dutt Sharma v. Navaratna Pharmaceutical Laboratories*,²⁶ drew a clear distinction between the legal foundations of trademark infringement and passing off. While infringement concerns the statutory right conferred by registration, passing off is rooted in common law and seeks to protect the goodwill of a business from misrepresentation. Although the two causes of action may overlap in certain factual situations, they remain conceptually distinct. That said, certain findings reached in the context of infringement – particularly those relating to the nature of the goods, their function, and their use – remain relevant in assessing the plausibility of misrepresentation under a passing off claim.

²⁶ 1965 (1) SCR 737



These factors, while not dispositive, help the Court assess whether the public is likely to believe that the defendant's goods originate from, or are associated with, the plaintiff.

135. A passing off action, although conceptually broader than statutory infringement, must establish that the defendant has made a misrepresentation likely to deceive or confuse the relevant public. Further, the breadth of this doctrine does not render the nature or class of goods irrelevant. On the contrary, the proximity of the goods, their intended purpose, and their commercial setting remain central considerations in evaluating whether the defendant's conduct has caused or is likely to cause deception. In *Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd.*,²⁷ the Supreme Court laid down specific factors for determining deceptive similarity, and held that the nature, character, and performance of the rival goods is a relevant consideration. The Court underscored that, even in passing off, the similarity of the products and the context in which they are marketed remain important indicators of whether the defendant's use of a mark is likely to cause confusion or lead to deception.

136. The Plaintiffs placed considerable reliance on DW-1's cross-examination dated 11th January, 2023, wherein he acknowledges that both Mehendi and face creams may be sold from same shops/counters and may also share a common consumer base. While this admission may suggest overlap in trade channels and target consumers, that factor alone is not determinative. The law requires a more exacting assessment to determine whether the Defendant's use of the mark amounts to misrepresentation,

²⁷ 2001 (5) SCC 73



capable of causing confusion and resulting in damage to the Plaintiffs' goodwill.

137. In *Marico Ltd. v. Agro Tech Foods Limited*,²⁸ this Court held that the mere fact that two products may share overlapping consumer bases and trade channels is not, by itself, sufficient to give rise to a likelihood of confusion – particularly where the packaging, get-up, or trade dress contains adequate distinguishing features. In *Colgate Palmolive Company & Anr. v. Anchor Health and Beauty Care Pvt. Ltd.*,²⁹ this Court affirmed that in a passing off action, the question is not of exact similarity but of whether the overall presentation is likely to mislead an average purchaser. The distinct trade dress, nature, and appearance of the respective products substantially reduce the likelihood of such confusion. Here, the Plaintiffs market their Henna-based goods predominantly in green coloured packaging such as packets and tubes, and whereas the Defendant's creams are sold in packaging employing a different combination of colours. Thus, notwithstanding the potential overlap in consumer base, the marked distinction in the packaging, get-up, and overall trade dress of the respective products negates any reasonable likelihood of confusion or deception. The comparison of the product packaging is shown below:

PLAINTIFFS' PRODUCT	DEFENDANT'S PRODUCT
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²⁸ 2010 SCC OnLine Del 3806

²⁹ 2003 SCC OnLine Del 1005



 <p>NEHA HERBAL MEHANDI</p>	
 <p>NEHA KALI MEHANDI</p>	
 <p>NEHA HERBAL HENNA</p>	
 <p>NEHA HERBAL COLOUR</p>	
 <p>NEHA COLOUR CREAM</p>	



138. This Court recognizes that it is not necessary to establish deliberate intent to deceive in order to sustain a claim of misrepresentation. However, where discernible, evidence of fraudulent intention may lend weight to a finding of likely deception, particularly in cases where other relevant factors are evenly balanced.

139. In the present case, the Defendant’s adoption of the mark “NEHA” cannot be viewed in isolation disregarding the nature of the goods and the absence of evidence of confusion or likelihood of confusion. As of 1999, when the Defendant adopted the mark, the Plaintiffs had only used “NEHA” for Henna products and related herbal goods. There is no evidence to show that by 1999, when the Defendant began using the mark for creams, the Plaintiffs had established such widespread reputation or brand elasticity that consumers would assume a cold cream labelled “NEHA” to be connected to Mehendi products. The Plaintiff have adduced no evidence in the nature of market surveys, instances of actual confusion, or complaints or marketing data indicating actual or likely confusion or brand association. On the contrary, their own promotional materials consistently reinforce a brand identity centred on Henna-based goods, with no suggestion of diversification into creams. Moreover, there is no material on record to suggest that the



Defendant made any express or implied representation that its creams originate from, or are in any way associated with, the Plaintiffs' business.

140. Further, the packaging, trade dress, extracted above and marketing of the Defendant's products do not attempt to mimic the Plaintiffs' branding style, visual imagery, or product messaging. There is no misrepresentation by conduct, colour, font, or slogan. The overlap is limited to the word "NEHA" alone.

141. Finally, even if it is accepted that some consumers may vaguely recall the brand "NEHA" from Mehendi products upon encountering a cream bearing the same name, there is no basis for the Court to conclude that such mental association would rise to the level of trade source confusion or association. The Plaintiffs have not discharged the burden of demonstrating that the Defendant's use of the mark has resulted in, or is likely to result in, misrepresentation. At best, what is shown is the use of a common name across functionally distinct goods – absent any evidence of actual confusion, brand extension, or implied association. In these circumstances, the Defendant's adoption of identical mark for face creams cannot be characterised as dishonest or misleading or misrepresentation.

142. Additionally, the mark "NEHA," while capable of functioning as a trademark, is not a coined term. It is a popular forename in India, making it inherently weaker in terms of source identification. As held in *People Interactive (India) Private Limited v. Vivek Pahwa*,³⁰ common names or dictionary words attract a narrower scope of protection. The term "NEHA" not being a distinctive word, the Plaintiffs cannot monopolise the use of

³⁰ 2016 SCC OnLine Bom 7351



“NEHA” for all cosmetics unless a strong secondary meaning across product categories is proved – something that has not been shown on record. Therefore, misrepresentation, whether intentional or unintentional, has not been proven and the passing off claim should fail.

Conclusion

143. The tort of passing off is not a mechanism to prevent all forms of competitive entry, especially in the case of marks that are non-distinctive or commonly used. The question is not whether the mark is identical, which it is, but whether the use of the same word in relation to the Defendant’s goods would lead the average consumer, exercising ordinary caution, to believe that the goods are somehow associated with the Plaintiffs. While Plaintiffs’ goodwill in the trademark “NEHA” is established, but it remains confined to the domain of Mehendi, and Herbal hair-care preparations. There is insufficient evidence to suggest that such goodwill extended to creams or general cosmetics prior to the institution of the suit.

144. Consequently, the Defendant’s use of the mark “NEHA” for cold cream and related products does not amount to misrepresentation within the meaning of passing off law, nor can the Plaintiffs’ claim umbrella protection over the broader cosmetic category in the absence of proof of secondary meaning across product lines. As a result, the passing off claim cannot succeed, notwithstanding the identity of the marks or the Plaintiff’s goodwill in Henna products, for want of misrepresentation and the likelihood of damage, both of which are indispensable elements of the cause of action.

145. Accordingly, **Issue No. 7 is decided against the Plaintiffs.**

ISSUE NO. 9 &10:



Whether the Plaintiffs are entitled to delivery up and rendition of accounts as prayed for?(OPP) and Relief

146. In order dated 21st September, 2020, inadvertently, Issue No. 9 has been identified as Issue No. 8. Numerically, this issue should have been Issue No. 9. Thus, it is to be read accordingly.

147. In light of the detailed observations made hereinabove, the Plaintiffs are not entitled to any relief.

148. The suit is dismissed. Parties shall bear their own costs. Decree shall be drawn accordingly.

C.O. (COMM.IPD-TM) 355/2021 and C.O. (COMM.IPD-TM) 455/2022

149. In the present cancellation petitions, the Defendant seeks removal of the Plaintiffs' registered trademarks on several grounds namely, alleged prior adoption and use of the mark by the Defendant; false claims of use made by the Plaintiffs at the time of registration; lack of distinctiveness in the Plaintiffs' mark; and alleged non-use of the mark in respect of the goods for which registration was obtained. These grounds correspond to the contentions examined under Issues No. 2, 3, 4, and 6.

150. However, in light of the findings recorded under the aforesaid issues, this Court has held that the Plaintiffs have established prior and continuous use of the mark "NEHA" in relation to their goods. No suppression or material misstatement on the part of the Plaintiffs has been found. The Court has also concluded that the Defendant has failed to discharge the burden of proving prior use in terms of the products for which the Plaintiff has registration or any statutory ground under Sections 47 or 57 of the Trade Marks Act to warrant cancellation.



151. Accordingly, the cancellation petitions are dismissed.

SANJEEV NARULA, J

MAY 19, 2025*/d.negi/as*