$~

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

***Reserved on: 19 December 2025***
***Pronounced on: 9 March 2026***

\+ FAO(OS) (COMM) 146/2024, CM APPL. 39898/2024 & CM APPL. 39900/2024

WESTERN DIGITAL TECHNOLOGIES INC. & ANR. .....Appellants

Through: Mr. Pravin Anand, Mr. Saif Khan, Mr. Shobhit Agarwal, Ms. Shayal Anand, Mr. Prajjwal Kushwaha and Ms. Meghana Kudligi, Advs.

versus

GEONIX INTERNATIONAL PRIVATE LIMITED, THROUGH ITS DIRECTORS, MR. GAURAV JAIN MR. SAURABH JAIN & ANR. .....Respondents

Through: Ms. Rashi Bansal, Mr. Saurabh Lal and Ms. Deepti Thapa, Adv.
Mr. R.V. Sinha and Mr. A.S. Singh, Advs. for R-2 and 3.

\+ FAO(OS) (COMM) 147/2024, CM APPL. 40344/2024 & CM APPL. 40346/2024

WESTERN DIGITAL TECHNOLOGIES INC. & ANR. .....Appellants

Through: Mr. Pravin Anand, Mr. Saif Khan, Mr. Shobhit Agarwal, Ms. Shayal Anand, Mr. Prajjwal Kushwaha and Ms. Meghana Kudligi, Advs.

versus

DAICHI INTERNATIONAL & ANR. .....Respondents

Through: Ms. Rashi Bansal, Mr. Saurabh Lal and Ms. Deepti Thapa, Adv.

\+ FAO(OS) (COMM) 148/2024, CM APPL. 40350/2024 & CM APPL. 40352/2024

WESTERN DIGITAL TECHNOLOGIES INC & ANR. .....Appellants

Through: Mr. Pravin Anand, Mr. Saif Khan, Mr. Shobhit Agarwal, Ms. Shayal Anand, Mr. Prajjwal Kushwaha and Ms. Meghana Kudligi, Advs.

versus

CONSISTENT INFOSYSTEMS PRIVATE LIMITED & ORS. .....Respondents

Through: Mr. Dushyant K. Mahant and Mr. Vimlesh Kumar, Advs. for R-1
Ms. Rashi Bansal, Mr. Saurabh Lal and Ms. Deepti Thapa, Adv.

\+ FAO(OS) (COMM) 151/2024, CM APPL. 40711/2024 & CM APPL. 40713/2024

SEAGATE TECHNOLOGY LLC .....Appellant

Through: Mr. Ranjan Narula, Mr. Shakti Priyan Nair and Mr. Parth Bajaj, Advs.

versus

CONSISTENT INFOSYSTEMS PRIVATE LIMITED AND ANR & ANR. .....Respondents

Through: Mr. Dushyant K. Mahant and Mr. Vimlesh Kumar, Advs. for R-1.

\+ FAO(OS) (COMM) 152/2024, CM APPL. 40762/2024 & CM APPL. 40764/2024

SEAGATE TECHNOLOGY LLC .....Appellant

Through: Mr. Ranjan Narula, Mr. Shakti Priyan Nair and Mr. Parth Bajaj, Advs.

versus

DAICHI INTERNATIONAL .....Respondent
Through: Ms. Rashi Bansal, Mr. Saurabh Lal and Ms. Deepti Thapa, Adv.

\+ FAO(OS) (COMM) 104/2025, CAV 230/2025, CM APPL. 36440/2025 & CM APPL. 36441/2025

WESTERN DIGITAL TECHNOLOGIES, INC. AND ANR. .....Appellants
Through: Ms. Shwetasree Majumder, Mr. Prithvi Singh, Ms. Devyani Nath and Ms. Vanshika Singh, Advs.

versus

HANSRAJ DUGAR .....Respondent
Through: Mr. Sidharth Chopra, Mr. Kanishk Kumar, Mr. Angad Makkar and Mr. Priyansh Kohli, Advs.

**CORAM:**
**HON'BLE MR. JUSTICE C. HARI SHANKAR**
**HON'BLE MR. JUSTICE OM PRAKASH SHUKLA**

**JUDGMENT**

**% 09.03.2026**

**C. HARI SHANKAR, J.**

**Facilitative Index to the Judgment**

| S. No. | Subject | | Para Nos |
|---|---|---|---|
| 1 | **A** | **The *lis*** | 1 - 3 |
| **FAO (OS) (Comm) 146/2024, FAO (OS) (Comm) 147/2024, FAO (OS) (Comm) 148/2024, FAO (OS) (Comm) 151/2024 and FAO (OS) (Comm)** | | |

## A. The *lis*

**1.** The appellants Western Digital Technologies Inc.[1] and Seagate Technology LLC[2] manufacture Hard Disk Drives[3], which are sold to Original Equipment Manufacturers[4] located outside India, who integrate these HDDs into personal computers[5], laptops, servers and similar equipment. The appellants provide warranty for the HDDs up to a particular period, after which they are regarded as "end-of-life". An end-of-life HDD does not lose its functionality; it is only that the manufacturer of the HDD does not provide any further warranty. The HDDs are extracted from the equipment in which they were integrated and imported into India.

**2.** These appeals fall into two categories. The respondents in FAO (OS) (Comm) 146/2024 (Geonix International Pvt Ltd[6]), FAO (OS) (Comm) 147/2024 (Daichi International[7]) and FAO (OS) (Comm) 148/2024 (Consistent Infosystems Pvt Ltd) purchase the HDDs after they are removed from the equipment abroad and imported into India

[1] "WD" hereinafter
[2] "Seagate" hereinafter
[3] "HDDs" hereinafter
[4] "OEMs" hereinafter
[5] "PCs" hereinafter
[6] "Geonix" hereinafter
[7] "Daichi" hereinafter

whereas Hansraj Dugar, the respondent in FAO (OS) (Comm) 104/2025, himself imports the HDDs into India, after they are removed from the equipment abroad.

**3.** We will also deal with these matters separately.

**FAO (OS) (Comm) 146/2024, FAO (OS) (Comm) 147/2024, FAO (OS) (Comm) 148/2024, FAO (OS) (Comm) 151/2024 and FAO (OS) (Comm) 152/2024**

**B. Facts**

**4.** WD and Seagate, the appellants in these appeals, manufacture HDDs and sell them to OEMs located in China. The HDDs bear the appellants' trade marks, registered under Section 23 of the Trade Marks Act, 1999[8]. Once the HDDs reach "end of life" stage, the warranty provided by WD and Seagate comes to an end, the equipment in which the HDDs were installed is discarded, the HDDs are extracted therefrom, and imported into India.

**5.** At the time of import, or of subsequent sale in India, the HDDs bear the registered trade marks of the original manufacturers, i.e. the appellants. The respondents examine the HDDs and subject them to testing. Defective HDDs are returned by the respondents to the suppliers from whom they were purchased. The appellants' trade marks are removed from the remaining, functional HDDs. The respondents affix their own trade marks/brand names on the HDDs.

[8] "the Act" hereinafter

The software embedded in the HDDs is erased. New software is loaded on the HDDs by the respondents. New Serial numbers and Model numbers are affixed on the HDDs. The respondents claim to refurbish the HDDs and, thereby, enhance their utility. The HDDs are thereafter sold by the respondents in their own individual packings under the newly assigned Serial numbers and Model numbers.

**6.** The respondents claim that this is perfectly legitimate, and forms the basis of a thriving refurbishing industry. They also claim that the Government is promoting the industry, though we do not propose to enter into that arena. The respondents claim that, by their acts, HDDs, which retain functionality but have been discarded, are rendered functional and useful, and made available to persons who may not be able to afford original prime quality HDDs. In a sense of speaking, they, therefore, claim to breathe life into the HDDs which had been abandoned as "end of life". The respondents claim that their acts are perfectly legitimate, and do not breach any law in force.

**7.** The appellants, on the other hand allege that, by their acts, the respondents are simultaneously committing three intellectual property torts. They are infringing the appellants' registered trade marks, *and* committing the torts of passing off, as well as "reverse passing off".

**8.** Predicated on these allegations, the appellants instituted the suits from which the present appeals emanate, against the respondents, seeking decrees of permanent injunction restraining them from altering, impairing, repacking, rebranding or performing any similar

activity on the HDDs originally manufactured and sold by the appellants, as would amount to infringement or passing off.

**9.** The appellants filed, with their suits, applications under Order XXXIX of the Code of Civil Procedure, 1908[9] , seeking interlocutory injunctions, restraining the respondents from performing the afore noted activities, pending disposal of the suits.

**10.** A learned Single Judge of this Court, by judgment dated 21 May 2024, disposed of the Order XXXIX applications filed by the appellants with the following directions:

> "The defendants will be permitted to sell the refurbished HDDs, provided they comply with the following:
>
> (i) *Packaging to identify the source of the product*: Packaging in which the refurbished product is sold, will clearly indicate that the HDD is manufactured by the plaintiffs concerned (Seagate or WD as the case may be). This may be displayed in a manner not to deceive the customer that the sale itself is of the original Seagate or WD i.e. it should be clear, but not dominating the packaging.
>
> (ii) *Reference to the original manufacturer is to be made through their word mark and not the device mark*: Reference to the plaintiffs should be through their word marks as in "Seagate" or "WD", as the case may be. Defendant shall not use plaintiffs' logos, in order to not cause any deception to the consumer.
>
> (iii) *Packaging must specify that there is no original manufacturer's warranty*: A clear statement must be made to the effect that there is no manufacturers' warranty or service by (Seagate or WD, as the case may be) on this product.

[9] "CPC" hereinafter

(iv) *Packaging must specify that the product is "used and refurbished*": A prominent statement on the front of packaging to the effect that the product is "used and refurbished" by the defendants concerned (Consistent or Geonix or Daichi, as the case may be).

(v) *Statement as to extended warranty by the refurbisher*: A clear and prominent message that the warranty or service of specified years is being provided by the defendants concerned (Consistent or Geonix or Daichi, as the case may be), along with customer care details and contacts.

(vi) *Packaging must reflect an accurate description of the features*: An accurate, truthful, precise description of features and purpose of the refurbished product, without any misleading, half-truth, deceptive, ambiguous statements (which could potentially misinform the consumer as to the features of the product and the purposes for which it could be used).

(vii) All of the above should also be complied with by the defendants on *promotional literature, website, e-commerce listings, brochures and manuals*."

(Emphasis as in original)

**11.** WD and Seagate are in appeal against the said judgments. The defendants before the learned Single Judge have not chosen to appeal.

## C. The Issues

**12.** The appellants allege, against the respondents, infringement and "reverse passing off". The allegation of infringement is predicated on Sections 29(1) and (2)[10], read with Section 29(6)(c)[11] and Sections

[10] **29. Infringement of registered trade marks**. –
(1) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which is identical with, or deceptively similar to, the trade mark in relation to goods or services in respect of which the trade mark is registered and in such manner as to render the use of the mark likely to be taken as being used as a trade mark.

30(3) and 30(4)[12] of the Act, whereas the allegation of "reverse passing off" is, at least in so far as the law in this country is concerned, in a sense *sui generis*.

**13.** In the context of the refurbishment trade, with which we are concerned, there does not appear to be any earlier authority on the point. The learned Single Judge, in the judgment under challenge in the present appeals, has stated that the territory is virgin, and that he had, before him, therefore, a "veritable *tabula rasa*". We are much in the same position, the only words written on the *tabula* being those contained in the impugned judgments.

**14.** The only issues to be addressed are, therefore, whether the respondents have infringed the registered trade marks of the appellants, or are guilty of passing off, or reverse passing off.

---

(2) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which because of—
(a) its identity with the registered trade mark and the similarity of the goods or services covered by such registered trade mark; or
(b) its similarity to the registered trade mark and the identity or similarity of the goods or services covered by such registered trade mark; or
(c) its identity with the registered trade mark and the identity of the goods or services covered by such registered trade mark,
is likely to cause confusion on the part of the public, or which is likely to have an association with the registered trade mark.

[11] (6) For the purposes of this section, a person uses a registered mark, if, in particular, he—
*****
(c) imports or exports goods under the mark;

[12] (3) Where the goods bearing a registered trade mark are lawfully acquired by a person, the sale of the goods in the market or otherwise dealing in those goods by that person or by a person claiming under or through him is not infringement of a trade by reason only of –
(a) the registered trade mark having been assigned by the registered proprietor to some other person, after the acquisition of those goods; or
(b) the goods having been put on the market under the registered trade mark by the proprietor or with his consent.
(4) Sub-section (3) shall not apply where there exists legitimate reasons for the proprietor to oppose further dealings in the goods in particular, where the condition of the goods, has been changed or impaired after they have been put on the market.

**15.** We are dealing with these aspects in appellate jurisdiction over a judgment rendered by the learned Single Judge under Order XXXIX of the CPC. The analysis is, therefore, merely *prima facie*. Equally, we would remain guided by the decisions in ***Wander Ltd v. Antox (India) Pvt Ltd***[13] and ***Pernod Ricard India Pvt Ltd v. Karanveer Singh Chhabra***[14], which hold that an appeal against an interlocutory Order XXXIX order is merely an appeal on principle, and the appellate Court would not substitute its subjective opinion for the opinion of the Commercial Court.

**16.** We have heard Mr. Pravin Anand for WD, Mr. Ranjan Narula for Seagate, Mr. Dushyant Mahant for Consistent and Ms. Rashi Bansal for Daichi and Geonix.

## D. Sections 29, 30(3) and 30(4) and the decision in *Kapil Wadhwa*

**17.** These appeals necessitate an intricate navigation through Sections 29, 30(3) and 30(4) of the Act, and we propose to undertake the exercise at the very outset, so that the legal boundaries, within which we would be require to limit our excursions, are clearly drawn.

**18.** As would become apparent during the course of this judgment, the challenge relating to infringement, as levelled by the appellants and predicated on Sections 30(3) and 30(4) of the Act, is more substantial than the plea of "reverse passing off". In so far as Sections

[13] **1990 (Supp) SCC 727**
[14] **2025 SCC OnLine SC 1701**

30(3) and 30(4) are concerned, there is no authority, except the impugned judgment of the learned Single Judge, which deals with these provisions in the context of refurbishment. The only decision on the point appears to be the judgment of a Division Bench of this Court in ***Kapil Wadhwa v. Samsung Electronics Co.***[15], which, though it does not deal with refurbishment, intricately analyses Sections 30(3) and 30(4).

**19.** We, therefore, proceed to set out our understanding of Sections 30(3) and (4), and the judgment of the Division Bench in ***Kapil Wadhwa***.

I. Sections 29, 30(3) and (4)

**20.** Section 30(3) applies where goods bearing a registered trade mark are lawfully acquired by a person, who thereafter sells or otherwise deals in the said goods. We will call him Mr. X.

**21.** The words that follow are crucial. They postulate that the sale or otherwise dealing, by Mr. X, in the said goods, *is not infringement*, *by reason only of* the existence of one or other of the two circumstances envisaged in clauses (a) and (b) which follow.

**22.** *Clearly, therefore, Section 30(3) does not create a distinct specie of infringement. It sets out certain circumstances in which the act envisaged in the provision would not be infringement.*

[15] **2012 SCC OnLine Del 5172**

**23.** This implies that, if Section 30(3) were not to apply, the act *would* be infringement. Section 30(3), therefore, provides an escape route, from the taint of infringement, of an act which, but for Section 30(3), would otherwise be infringement.

**24.** This is clear even from the title of Section 30, which reads "Limits on effect of registered trade mark". Thus, the various sub-sections of Section 30 must be read as incorporating limits, on the effects of registration. Section 30(3) cannot, therefore, be understood as providing one more avenue for alleging infringement, consequent to registration of a trade mark. Rather, it incorporates limits on the right to assert or allege infringement, where a registered trade mark is lawfully acquired by the person who sells the goods, bearing the mark, in the market, in the circumstances envisaged in clauses (a) and (b) of the sub-Section.

**25.** The only provision in the Act which envisages what "infringement" would be, and which is a self-contained code in that regard, is Section 29. If an act satisfies one or more of the sub-sections of Section 29, it would amount to infringement. Else, it would not. There is no other provision, in the Act, which deems any act to amount to infringement.

**26.** Section 30(3), therefore, merely clarifies that, *even if an act amounts to infringement under Section 29*, it would nonetheless *not be infringement* if the circumstances in Section 30(3) apply. *If an act*

*does not amount to infringement within the meaning of Section 29, therefore, in the very first instance, no occasion to refer to Section 30(3) would arise at all.* This is one of the contentions of Mr. Dushyant Mahant, and we entirely agree with him.

**27.** Section 30(4) *excepts* the applicability of Section 30(3) in certain circumstances. This does not mean that the act would, then, *ipso facto* amount to infringement, as Mr. Pravin Anand would seek to contend. *It merely means that, if the circumstances of Section 30(4) apply, the escape clause, otherwise available under Section 30(3) to acts which are infringing within the meaning of Section 29, would no longer be available. The act would, nonetheless, have to be infringing, within the meaning of Section 29, in the first instance.*

**28.** *If, therefore, an act does not amount to infringement within the meaning of Section 29, the matter must rest there. No further enquiry, into whether there is, or is not, infringement, is warranted. If, however, the act is otherwise infringing within the meaning of Section 29, and the circumstances envisaged in Section 30 apply, i.e., the infringing goods are lawfully acquired by a person and sold in the market, then such acquisition and sale would not amount to infringement if condition (a) or (b) in Section 30(3) applies.*

**29.** That is how, in our view, Sections 29, 30(3) and 30(4) are to be understood.

**30.** Here, we may note that the words "by reason only of", in Section 30(3), are confusing. If they are to be assigned their ordinary grammatical and syntactical meaning, the provision would make no sense. The plain grammatical connotation of the provision is that, if the preceding conditions are satisfied, then the sale or dealing of the goods by Mr. X would *not* be infringement *only because of* circumstance (a) or circumstance (b).

**31.** But then, circumstance (b) refers to the goods having been put on the market by the proprietor or with his consent. If the person who deals in the trade marked goods is the proprietor of the mark, or deals in the mark with the consent of the proprietor and is, therefore, a permissive user, the use would, in any case, not be infringement within the meaning of Section 29, as "infringement", in each of the clauses of Section 29, can be committed only by one who is not the registered proprietor, or the permissive user, of the infringing mark.

**32.** As such, there would be no sense in specifying that the sale or dealing of the goods by Mr. X would not be infringement *by reason only of* a circumstance which, in any case, would not be infringement *per se*.

**33.** Circumstances (a) and (b) have, therefore, if they are to be accorded any meaning, to be understood as the circumstances which, if they apply, would result in the sale or otherwise dealing in the goods, by Mr. X, *not being infringing in character, i.e. not result in*

*infringement, assuming the indicia of infringement, as contained in Section 29, otherwise apply*.

**34.** Circumstance (a) applies where, after Mr. X has acquired the goods, the proprietor of the trade mark assigns it to someone else. That circumstance does not apply in the appeals before us.

**35.** Circumstance (b) applies where the proprietor of the trade mark has himself put the goods on the market, or consented to their being put on the market.

**36.** In other words, if goods bearing a registered trade mark are put on the market by the registered proprietor of the mark, or with his consent, then the sale, or dealing, *in such goods*, by Mr. X, would not result in infringement.

**37.** By putting them on the market, or consenting to their being put on the market, the registered proprietor of the mark has thus *exhausted* his right to allege that the sale, or dealing, in the goods, by a person who lawfully acquires them, results in infringement.

**38.** *If, however, the goods in which Mr. X deals does not bear the registered trade mark of the original manufacturer (as in the present appeals), such dealing would not, in any event, amount to infringement under Section 29, as Section 29, in each of its clauses, requires the infringer to use the infringed trade mark, or a trade mark which is deceptively similar thereto, in the course of trade. If the act*

*is not infringing under Section 29, there can be no question of referring to Section 30(3) or 30(4).*

**39.** We may nonetheless examine Section 30(4) as well.

**40.** Section 30(4) provides that, if there exist legitimate reasons for the proprietor of the mark to oppose further dealings in the goods, in particular where the condition of the goods has been changed or impaired after they have been put on the market, then, even if circumstance (a), or (b), or both, in Section 30(3) apply, the sale of, or otherwise dealing in, the goods, by Mr. X, *would* amount to infringement.

**41.** The use of the contrasting expressions "on the market" and "in the market" in Sections 30(3) and (4), in their respective contexts, makes it clear that the putting of the goods "on the market" is by the registered proprietor of the mark, whereas the "sale of the goods in the market" is by the person who has lawfully acquired them. This interpretation stands endorsed by ***Kapil Wadhwa***.

**42.** *In a case in which the act of the subsequent acquirer of the goods would otherwise amount to infringement within the meaning of Section 29,* the subsequent sale of, or otherwise dealing in, the goods, by the acquirer, would *not amount to infringement*, if the following conditions are *cumulatively satisfied*:

(i) The goods must have been lawfully acquired by the acquirer.

(ii) The goods must have been put on the market by the registered proprietor of the mark, of with his consent.

(iii) The condition of the goods should not have been changed or impaired after they were put on the market by the registered proprietor of the mark.

**43.** The interpretation that would require to be imparted to the word "changed" in Section 30(4) is also of significance. "Changed", in its widest etymological sense, would include any change, positive or negative, substantial or frugal. As used in Section 30(4), however, that meaning cannot be attributed to the word "changed", as the change, or impairment, must constitute a *legitimate reason for the proprietor of the mark to oppose the sale of the goods.* If the change is resulting in making non-functional goods functional, or useless goods useful, without any prejudice to the registered proprietor of the trade mark, it cannot, quite obviously, constitute a *legitimate reason* to oppose the dissemination of the goods in the market. Equally, if the lawful acquirer of the goods, who sells them in the market, affixes his mark on them, that, too, cannot constitute a *legitimate reason* for the registered proprietor of the mark to oppose their sale or dissemination. The word "change", therefore, must result in something *negative* resulting; in other words, the word "changed" must be read *noscitur a sociis* with the word "impaired". They must partake of a like character.

**44.** The *noscitur a sociis* principle is as old as the hills, and is a hallowed principle of interpretation of statutes, predicated on the principle that words, in a statue, take colour from the company they keep. As far back as in ***Angus Robertson v. George Day***[16], the Privy Council observed that it was "a legitimate rule of construction to construe words in an Act of Parliament with reference to words found in immediate connection with them". A subset of the *noscitur a sociis* principle is the *ejusdem generis* doctrine, which applies where there are a number of expressions used together, which may be said to constitute a genus, in which case each of the said expressions is to be so interpreted as to be part of the genus. The *ejusdem generis* doctrine has, however, no application in a case in which there are only two words keeping company with each other as, just as one swallow cannot make a summer, one word cannot make a genus. In such a case, therefore, it is the *noscitur a sociis* principle which applies.

**45.** The application of the principle is, of course, subject to the statute itself not indicating to the contrary. Here, the opening words of Section 30(4) would eminently *support* interpreting the word "changed", as used later in the provision, *noscitur a sociis* with the word "impaired".

II. The decision in ***Kapil Wadhwa***

[16] **(1879) 5 AC 63**, referenced in **M.K. Ranganathan v. Govt. of Madras, AIR 1955 SC 604** and **Ahmedabad Primary Private Teachers Assn v. Administrative Officer, (2004) 1 SCC 755**

**46.** ***Kapil Wadhwa***, it has to be noted at the very outset, is a case in which the issue which confronts us *did not confront the Court*, for the simple reason that Kapil Wadhwa *imported, and dealt with the goods manufactured by Samsung under the Samsung trade mark itself.* The applicability of Section 29, therefore, could not be questioned.

**47.** Samsung, the respondent before this Court, claimed to be aggrieved by the fact that the appellants, Kapil Wadhwa and others, were purchasing Samsung printers from the foreign market, importing them into India and selling them in India under the trademark SAMSUNG. This, according to Samsung, infringed its registered trademarks. The appellants' activities also resulted in consumers being misled into believing that the printers being purchased by them were authorised and sold in India with the permission of Samsung. The appellants, on the other hand, contended that they were committing no illegality and that their activities resulted in Samsung's printers being available to the consumer public at a cheaper rate. This Court, therefore, clearly noted, in para 3 of its judgment, that it was dealing with "parallel imports/grey market goods". This Court also noted, in para 8, that it was only examining the dispute from the infringement angle, as no passing off had been pleaded.

**48.** Though the dispute in ***Kapil Wadhwa*** was qualitatively somewhat different from that which is before us, the Division Bench embarked on a detailed analysis of Section 30(3) and 30(4) of the Act. The learned Single Judge deemed it appropriate to extract paras 42 and 68 to 75 of ***Kapil Wadhwa***, and we do likewise:

"42. There is a patent fallacy in paragraph 68(c). There is no law which stipulates that goods sold under a trade mark can be lawfully acquired only in the country where the trade mark is registered. In fact, the legal position is to the contrary. *Lawful acquisition of goods would mean the lawful acquisition thereof as per the laws of that country pertaining to sale and purchase of goods. Trade Mark Law is not to regulate the sale and purchase of goods.* It is to control the use of registered trade marks. Say for example, there is food scarcity in a country and the sale of wheat is banned except through a canalizing agency. Lawful acquisition of wheat in that country can only be through the canalizing agency. The learned Single Judge has himself recognized that the law of trade marks recognizes the principle of international exhaustion of rights to control further trade of the goods put on the market under the trade mark. The task of the learned Single Judge thus was to resolve the impasse in the Indian Law, and thus the presumption/assumption in paragraph 68(c) could not be the point to resolve the textual context in which the learned Single Judge has discussed in paragraph 68(d).

*****

68. With reference to sub-section 4 of Section 30 of the Trade Marks Act 1999 it would be relevant to note that further dealing in the goods placed in the market under a trade mark can be opposed where legitimate reasons exist to oppose further dealing and in particular where the condition of the goods has been changed or impaired. *With respect to physical condition being changed or impaired, even in the absence of a statutory provision, the registered proprietor of a trade mark would have the right to oppose further dealing in those goods inasmuch as they would be the same goods improperly so called, or to put it differently, if a physical condition of goods is changed, it would no longer be the same goods.* But, *sub-section 4 of Section 30 is not restricted to only when the conditions of the goods has been changed or impaired after they have been put on the market. The section embraces all legitimate reasons to oppose further dealings in the goods*. Thus, changing condition or impairment is only a specie of the genus legitimate reasons, which genus embraces other species as well. *What are these species? (i) Difference in services and warranties* as held in the decisions reported as ***SKF USA v. International Trade Commission***[17]; ***Fender Musical Instruments Corp. v. Unlimited Music Center Inc.***[18]; ***Osawa &***

[17] **423 F.3d 1037 (2005)**
[18] **35 USPQ2d 1053 (1995)**

***Co. v. B&H Photo***[19]. (ii) *Difference in advertising and promotional efforts* as held in the decisions reported as ***Pepsi Co. Inc. v. Reyes***[20]; ***Osawa & Co. v. B&H Photo***. (iii) *Differences in packaging* as held in the decision reported as ***Ferrerro USA v. Ozak Trading***[21]. (iv) *Differences in quality control, pricing and presentation* as held in the decision reported as ***Societe Des Produits Nestle v. Casa Helvetia***[22]. (v) *Differences in language of the literature* provided with the product as held in the decisions reported as ***SKF USA v. International Trade Commission***[23]; ***Pepsi Co. Inc. v. Reyes***[24]; ***Original Appalachian Artworks Inc. v. Granada Electronics Inc***[25].

69. Now, as we see it, this can only happen in case where goods have to be imported from a country of manufacture or a country where they are put on the market thereof, and then imported into India. Only then would there be a difference in the language of the literature provided with the product; difference in services and warranties in the country from where the goods are imported by the seller and the country of import i.e. the manufacturer's warranties not being available in the country of import; difference in quality control, pricing and presentation as also differences in advertising and promotional efforts.

70. *This is also an indication of India adopting the Principle of International Exhaustion of Rights in the field of the Trade Mark Law.*

71. We accordingly conclude that *'**the market**' contemplated by Section 30(3) of the Trade Marks Act 1999 is the international market i.e. that the legislation in India adopts the Principle of International Exhaustion of Rights*.

72. That leaves the last submission of the respondents, that in view of Section 30(4) they are entitled to oppose further dealings by importers of their printers to India.

73. *It is not the case of the respondents that the appellants are changing the condition of the goods or impairing the goods which are put in the foreign market by respondent No. 1 or its subsidiary companies abroad. What is pleaded is that the physical features of the printers sold abroad are different from the features of the*

---

[19] **589 F. Supp. 1163 (1984)**
[20] **70 F. Supp 2d 1057**
[21] **753 F. Supp. 1240 (1991)**
[22] **982 F.2d 633 (1992)**
[23] **423 F.3d 1037 (2005)**
[24] **70F. Supp 2d 1057**
[25] **816 F.2d 68, 76 (2nd Cir. 1987)**

*printers sold in India. But this is irrelevant as long as the goods placed in the International market are not impaired or condition changed*. It is pleaded that the respondents have no control pertaining to the sale, distribution and after sales services of its goods which are imported by the appellants and sold in India. Now, the Principle of International Exhaustion of Rights itself takes away the right of the respondents to control the further sale and further distribution of the goods. With respect to after sales services, since the respondents do not warranty anything regarding their goods sold abroad, but imported into India and further sold, they not being responsible for the warranty of those goods, nothing turns thereon, as regards said plea. There may be some merit that the ordinary consumer, who is provided with warranties and after sales by the appellants, on not receiving satisfactory after sales service, may form a bad impression of the product of the respondents and thus to said extent one may recognize a possible damage to the reputation of the respondents pertaining to Samsung/SAMSUNG printers and Samsung/SAMSUNG products sold in India after importation. But, this can be taken care of by passing suitable directions requiring the appellants to prominently display in their shop that the Samsung/SAMSUNG printers sold by them are imported by the appellants and that after sales services and warranties are not guaranteed nor are they provided under the authority and control of the respondents and that the appellants do so at their own end and with their own efforts. This would obviate any consumer dissatisfaction adversely affecting the reputation of the respondents, and thus if this is done, the respondents can claim no legitimate reasons to oppose further dealing in Samsung/SAMSUNG products in India.

74. As regards the appellants meta-tagging their websites with those of the respondents, the learned Single Judge has correctly injuncted the appellants from so doing, which injunction we affirm. The argument by the appellants that how else would the appellants know about the working of the particular product hardly impresses us for the reason the appellants can design their website in a manner where they are able, on their own strength, without any meta-tagging, to display the relevant information.

75. The appeal is partially allowed. Impugned judgment and order dated February 17, 2012 is set aside insofar the appellants have been restrained from importing printers, ink cartridges/toners bearing the trade mark Samsung/SAMSUNG and selling the same in India. The appellants shall continue to remain injuncted from meta-tagging their website to that of the respondents. But, while effecting sale of Samsung/SAMSUNG printers and ink cartridges/toners, the respondents shall prominently display in their

showrooms that the product sold by them have been imported from abroad and that the respondents do not give any warranty qua the goods nor provide any after sales service and that the warranty and after sales service is provided by the appellants personally. The appellants would prominently display in their showrooms:

> Samsung/SAMSUNG Products sold are imported into India and **SAMSUNG (KOREA)** does not warranty the quality of the goods nor provides any after sales service for the goods. We warranty the quality of the goods and shall provide after sales service for the goods."
>
> (Italics supplied)

**49.** The Division Bench has, in the above passages, held that (i) "lawful acquisition", as employed in Section 30(3), implies lawful acquisition in the country where the goods are acquired, and not necessarily lawful acquisition in the country in which the trademark is registered, (ii) Section 30(4) would cover all circumstances in which the proprietor of the registered trademark would have a legitimate reason to oppose further dealing in the goods, and not merely a situation in which the condition of the goods has been changed or impaired after they were put on the market by him, (iii) if the physical condition is changed or impaired, the registered proprietor would have a right to oppose further dealing in the goods, as they would no longer be the same goods as had been put on the market by him, (iv) other "legitimate reasons" which could justify opposition, by the owner of the trademark, to further dealing in the goods, could be where the dealer provides different services or warranties, there is difference in advertising and promotional efforts, difference in packaging, difference in quality control, pricing and presentation or difference in the literature provided with the product, (v) these provisions amount to adoption, by the legislature in India, of the principle of International

exhaustion of rights, and (vi) the "market" in Section 30(3) is, therefore, the international market.

**50.** We have no difficulty in endorsing these observations and findings of the Division Bench in ***Kapil Wadhwa***, except for the identification, in para 68 of the report, of diverse circumstances in which the registered proprietor of the trade mark could have legitimate reasons to oppose further dealings in the goods. We are of the view that these "species", as identified by the Division Bench may not constitute absolute grounds on which such legitimate reasons could be said to exist, to oppose further dealing in the goods. To our mind, the circumstance must be such as would reduce the quality or value of the goods, or impair the goodwill of the registered proprietor of the trade mark. For example, the mere fact that the goods may be sold under different warranties or services may not, by itself, constitute a legitimate reason to oppose further dealing in the goods. At the end of the day, the determination of whether the registered proprietor of the trade mark had, or did not have, a legitimate reason to oppose further dealing in the goods, within the meaning of Section 30(4) of the Act, would be largely one of fact.

**51.** In fact, it appears that the Division Bench, after purporting to identify indicative circumstances in which the registered proprietor of the trademark could have a legitimate reason to oppose further dealings in the goods, did not itself treat these circumstances as watertight. This is apparent from para 73 of the report in which the Division Bench held that the fact that the printers sold by Samsung

abroad were different from those of the printers sold in India was irrelevant, so long as the goods, which were placed on the international market by Samsung, were not impaired or their condition changed.

**52.** In any event, the provisions of Section 30(3) and (4) are, to our mind, sufficiently clear, and are by themselves enough for us to deal with the controversy in issue, without having to navigate as nautical a course as the Division Bench in ***Kapil Wadhwa*** chose to chart.

## E. The impugned judgment

### I. Facts of the case as noted in the impugned judgment

**53.** WD and Seagate were the plaintiffs before the learned Single Judge, and Daiichi, Consistent, Geonix and Cubicor were the defendants. WD and Seagate manufactured HDDs, which was supplied to OEMs, located in China and Singapore, for installation as part of the desktops, laptops, servers and other similar goods sold by them. These HDDs were unserviceable by the appellants, after the prescribed lifespan. After that time, they were regarded as "end of life" products, though they retained their functionality and utility. By referring to them as "end of life", what was apparently sought to be conveyed was that the warranty provided by the original manufacturers, i.e. the appellants, would no longer apply.

**54.** The HDDs which had thus become "end of life" were thereafter extracted from the equipment in which they were installed/integrated, and sold. These HDDs were, in the same condition, imported into India, where they were sold to refurbishers. The refurbishers tested the HDDs to satisfy themselves regarding their functionality. Defective HDDs were returned to the suppliers. The HDDs which retained functionality were refurbished after effacing the original trademark of the appellants, and sold in the market. Before doing this, the refurbishers claim to have, by refurbishing the HDDs, enhanced their utility. None of the indicia of the appellants remained on the HDDs when they were sold by the respondents after refurbishing. The respondents affixed their own brand on the HDDs, with a new Serial number and Model number.

II. Appellants' contentions before learned Single Judge

**55.** Before the learned Single Judge, the appellants contended that the acts of the respondents amounted to infringement within the meaning of Section 30(4) of the Act and that the respondents were also indulging in "reverse passing off". "Reverse passing off", it was submitted, took place where the defendant removed the registered trade mark of the plaintiff so as to pass off the goods as those of the defendant, but the goods continued to retain features and indicia which enabled the consumer to identify them as originating from the plaintiff.

**56.** Apropos the aspect of infringement, relatable to Section 30(3) and (4) of the Act, the appellants contended that the very removal of their registered trademark from the HDDs amounted to "impairment" within the meaning of Section 30(4). It was further contended that the respondents could not seek sanctuary under Section 30(3), as the HDDs had not been "lawfully acquired", and were "sold in the market or otherwise dealt with". Even if it were to be presumed that the HDDs had been lawfully acquired, the appellants contended, before the learned Single Judge, that, as their condition had been changed, and they had been impaired before they were put on the market, infringement, within the meaning of Section 30(4), had taken place.

**57.** On the aspect of infringement, the learned Single Judge has noted the issue arising before him, in para 7 of the impugned judgment, as "of refurbished goods being sold after removal of the original brand, with no reference to the original manufacturers, thereby severing the umbilical cord with the original registered trade mark owner; and whether in this situation an action for infringement or impairment could be considered."

**58.** The learned Single Judge queried, of learned Counsel for the appellants, as to whether there was any proscription on import of second-hand goods for refurbishing. The appellants relied on para 2.31 of the Foreign Trade Policy[26] 2023, which permitted import of second-hand goods for the purpose of repair/refurbishing/reconditioning or re-engineering free of duty,

[26] "the FTP" hereinafter

"subject to condition that waste generated during the repair/refurbishing of imported items is treated as per domestic Laws/Rules/Orders/Regulations/technical specifications/ Environmental/safety and health norms and the imported item is re-exported back as per the Customs Notification". It does not appear, however, from the impugned judgment, that the Customs Notification, to which para 2.31 refers, was cited by any of the learned Counsel. Learned Counsel submitted, however, that any item imported for refurbishment was required to be re-exported thereafter, and that Sections 30(3) and (4) of the Act had to be read conjointly with the FTP.

**59.** It was further contended, by the appellants, that import of goods bearing a registered trademark amounted to "use" of the registered trademark within the meaning of Section 29, in view of sub-section (6)(c) thereof.

**60.** The appellants further contended that the principle of international exhaustion, tellingly emphasised in ***Kapil Wadhwa*** and statutorily contained in Section 30(3) of the Act, would not apply, as purchase of the HDDs which had been removed from discarded computers and servers could not be treated as "legal acquisition" thereof. It was specifically contended that removing of the original labels and trade marks of the registered proprietor, refurbishing, reformatting and removing of the literature originally provided by the appellants amounted to impairment as well as material change in the condition of the goods, resulting in infringement.

**61.** The appellants further contended that the respondents were misrepresenting the discarded and used HDDs as new and unused, and were selling them under their own brand names. This amounted to passing off of old and used HDDs as unused.

**62.** It was also submitted that the respondents were guilty of "reverse passing off", as the HDDs had distinct shapes, colours and other indicia on the basis of which, even after removal of the label bearing the original registered trademark of the appellants, the consumer, who would be assumed to be a person who was conscious of such goods, would be able to identify them as having been manufactured by the appellants. For example, WD contended that it used a distinctive silver plate on the HDDs, which was easily identifiable by the consumer, who would be a technically literate person. In support of the plea of reverse passing off, the appellants relied on the judgment of a Division Bench of this Court in ***Shree Nath Heritage Liquor Pvt Ltd v. Allied Blenders & Distillers Pvt Ltd***[27] and on the decision in ***Smith v. Montoro***[28]. In any event, submitted WD before the learned Single Judge, reselling the product under the respondents' brand names amounted to a "false trade description" which was independently actionable under Section 103[29] read with Sections 2(i) and 2(1)(za) of the Act.

---

[27] **2015 SCC OnLine Del 10164**

[28] **648 F. 2d. 602 (1981)**

[29] **103. Penalty for applying false trade marks, trade descriptions, etc**. – Any person who –
(a) falsifies any trade mark; or
(b) falsely applies to goods or services any trade mark; or
(c) makes, disposes of, or has in his possession, any die, block, machine, plate or other instrument for the purpose of falsifying or of being used for falsifying, a trade mark; or
(d) applies any false trade description to goods or services; or

III. Respondents' contentions before learned Single Judge

**63.** The respondents contended, *per contra*, that the HDDs had been lawfully procured by them. They were not the importers of HDDs, but were refurbishers, who had purchased the imported HDDs from the importers under legitimate sale invoices on which GST[30] was also paid. The invoices were also placed on record, along with affidavits of the respondents. The appellants had not been able to produce any material to indicate that, in their contracts with the OEMs, there was any restriction on resale of the HDDs. Further, no action was taken by the appellants against any of the OEMs. No communication, between the appellants and the OEMs, on the basis of which it could be held that the sale of the end-of-life HDDs was illegal, was on record.

**64.** It was further contended, by the respondents, that they did not, in any manner, impair the condition of the HDDs. Rather, the appellants had no use for them and had washed their hands of the HDDs, once they reached "end of life" stage. The warranty provided by the appellants had expired. The respondents repaired and refurbished the HDDs and also provided a two-year warranty with call

---

(e) applies to any goods to which an indication of the country or place in which they were made or produced or the name and address of the manufacturer or person for whom the goods are manufactured is required to be applied under Section 139, a false indication of such country, place, name or address; or

(f) tampers with, alters or effaces an indication of origin which has been applied to any goods to which it is required to be applied under Section 139; or

(g) causes any of the things above mentioned in this section to be done,

shall, unless he proves that he acted, without intent to defraud, be punishable with imprisonment for a term which shall not be less than six months but which may extend to three years and with fine which shall not be less than fifty thousand rupees but which may extend to two lakh rupees:

Provided that the court may, for adequate and special reasons to be mentioned in the judgment, impose a sentence of imprisonment for a term of less than six months or a fine of less than fifty thousand rupees.

[30] Goods and Services Tax

back facility and after sales service to their consumers. Prior to refurbishing of the HDDs, the respondents undertook various tests to satisfy themselves that they were in working condition. If the HDDs were found to be defective, they were returned to the supplier. If they were working, the software contained on the HDDs was erased, and they were reformatted and sold. As a result, consumers, who could not afford the original HDDs, obtained working HDDs at a cheaper price. No change, injurious to the HDDs, having taken place, it was submitted that the respondents could not be regarded as having "impaired" the HDDs.

**65.** The HDDs were sold under the respondents' warranty and, therefore, the principle of international exhaustion would apply. It was further contended that removal of the original marks of the appellants and re-branding of the HDDs with the respondents' marks did not attract Section 30(4) or any of the clauses of Section 29 of the Act and did not, therefore, result in infringement.

**66.** Refurbishment, it was submitted, is not illegal.

**67.** The respondents further submitted that the plea of reverse passing off was completely unjustified. There was no question of the HDDs, once the registered marks of the appellants had been removed, being identifiable as those of the appellants. They were embedded deep inside the equipment in which they were installed. There was no way in which the consumer would relate the HDDs to the appellants. The HDDs were sold with a distinct Serial number and Model number,

and were not sold under the trade mark of the appellants. Even if the identity of the original manufacturer could be discovered, it would require a detailed technical analysis, which was a remote possibility. Besides, as the appellants had themselves stated, the purchaser of such a product was prudent, and would know that he was purchasing a refurbished product.

**68.** Consistent also relied, before the learned Single Judge, on an agreement between Seagate and Nickle Technologies executed in 2018, under which Nickle Technologies has been allowed to import end-of-life HDDs manufactured by Seagate, for refurbishing. It was therefore contended that Seagate could not plead ignorance regarding the fact that their HDDs, which had reached end-of-life stage, were removed, imported into India and sold after refurbishment. Seagate, however, contested the relevance of this submission, stating that the settlement with Nickle Technologies was applicable only *inter partes*, especially as it formed the basis of a decree under Order XXIII Rule 3 of the CPC. Reliance was placed, for this purpose, on the decision in ***Pankaj Goel v. Dabur India Ltd***[31].

IV. Observations and findings in the impugned judgment

**69.** Having thus set out the rival contentions advanced before him, the learned Single Judge proceeds to address the various issues which arose, seriatim, thus.

[31] **2008 SCC OnLine Del 1744**

IV.1 Re. Importation and sale

**70.** The learned Single Judge notes that the appellants had not referred him to any clause in their contracts with their OEMs, prohibiting discarding or resale of end-of-life HDDs. Clearly, the appellants had no control over the HDDs once they were embedded as equipment, which were sold with the embedded HDDs under a composite and integrated warranty of the OEM. It was not the case of the appellants that they had held out any warranty to the ultimate consumer. Ergo, at the stage of equipment integration of the HDDs, the umbilical cord stood severed.

**71.** The learned Single Judge further notes that there was no rule, Regulation or policy prohibiting import of discarded HDD/equipment into India. Para 2.13 of the FTP, on which Seagate relied, did not amount to a prohibition, so as to render the import of the HDDs into India illegal.

**72.** The learned Single Judge, therefore, holds that there was no basis to treat the importation of the end-of-life HDDs to be illegal.

IV.2 Sale to refurbisher

**73.** The learned Single Judge next proceeds to deal with the aspect of the legality, or otherwise, of the sale of the imported HDDs to the respondent-refurbishers. Inasmuch as the respondents had produced invoices, under which they had purchased the HDDs after payment of

GST, the learned Single Judge holds that the onus shifted to the appellants to demonstrate that the purchase of HDDs by the respondents from the importers was illegal. No material, on the basis of which such a conclusion could be reached, had been produced by the appellants.

IV.3 Right to repair

**74.** The learned Single Judge observes that the policy of the Indian Government recognised and encouraged the repair industry and that the Ministry of Consumer Affairs had in fact set up a Committee to come up with a "right to repair" framework. Acceptance of the appellants' submissions would result in killing the refurbishment market.

IV.4 The aspect of infringement under the Act

**75.** Addressing the aspect of infringement in the context of Sections 30(3) and (4) of the Act, the learned Single Judge first reiterates his finding that the importation of the HDDs, and their acquisition by the respondents, was not illegal.

**76.** However, the learned Single Judge proceeds to hold, accepting the submissions of learned *amicus curiae* appointed in the matter, that the benefit of Section 30(3) would not be available to the respondents, as they had sold the goods, purchased from the importers, after removing the registered trade marks of the appellants, which would

not qualify as putting the goods on the market, within the meaning of Section 30(3). The learned Single Judge holds, therefore, that, "even if exhaustion applies, the defendants cannot get benefit of it under this provision".

**77.** The learned Single Judge further observes that the said interpretation of Section 30(3) resonated, and was aligned, with Section 30(4), as removal of the original trademark of the registered proprietor would amount to change or impairment of the condition of the HDDs and would, therefore, attract Section 30(4) and, *ipso facto*, exclude the applicability of Section 30(3). This interpretation was also in line with the law declared by the Division Bench in ***Kapil Wadhwa***.

**78.** In line with the said decision, the learned Single Judge proceeds, in para 93 of the impugned judgment, to observe that, as there was no illegality in the import of the HDDs, which took place with the original trademark of the appellants in place, the goods could be sold along with a full disclosure. This approach, according to the learned Single Judge, also resonates with the international perspective on the issue, as reflected in the decisions in ***Champion Spark Plug Co. v. Sanders***[32] and ***Smith v. Montoro***. The learned Single Judge also places reliance on an article by Dr. Annette Kur, Professor in the Max Plank Institute for Innovation and Competition, Munich, titled "Sale of Repaired or Refurbished Goods: Commendable Practice or Trade Mark Infringement?"

[32] **331 US 125 (1947)**

IV.5 Reverse passing off

**79.** The learned Single Judge does not examine, in the impugned judgment, on merits, the submission of the appellants that the acts of the respondents resulted in "reverse passing off", but disposes of the issue thus, in para 96 of the impugned judgment:

> "96. Retaining the manufacturer's trade marks would also obviate the argument of the plaintiffs on reverse passing off. Counsel for the plaintiffs had relied on ***Smith v. L. Montoro*** of the United States Court of Appeal, 9th Circuit, submitting that in removing references to the manufacturer's mark on the HDDs and selling the refurbished product as their own, defendants were indulging in an act of reverse passing off. The customer would eventually find out where the product was originally manufactured by the plaintiffs and would continue to be trace it back to the plaintiffs. Such a situation would not arise if the refurbisher clearly states that the goods are manufactured by the plaintiffs and that the refurbisher is refurbishing them, for the purposes of extended use, with a warranty exclusively provided by the refurbisher."

IV.6 Conclusions of learned Single Judge

**80.** The learned Single Judge has thus concluded the discussion in the impugned judgment:

> "***Conclusion***
>
> 111. Refurbished, second hand, preowned goods exist in most countries of the world since it caters to a different market, that of a lesser paying customer. Originally manufactured goods, with their mint new warranty, are obviously sold at the maximum retail price and will be bought by people who require them and are ready to pay for them, which is the market of the manufacturer/authorised distributor/wholesaler/retailer. Once the sale has happened and the warranty period attached to the goods is exhausted, none of these entities i.e. manufacturer/OEM/wholesaler/distributor/retailer in the

chain would be liable for any repair or servicing. Of course, if the retailer for purposes of promoting its sale, decides to give an additional warranty over and above the manufacturer's warranty or the OEM's warranty, that will only be a sales incentive.

112. Post-exhaustion of warranty, none of these entities i.e. manufacture/OEM/wholesaler/distributor/retailer have any liability or responsibility of the state of those goods, unless of course, there is a mandate under any law, regulation or policy of managing their disposal. *In a situation where such policy or regulation does not exist, or even if it exists but does not impose conditions on the manufacturer, the umbilical cord is cut and the goods are in an untethered space. This is exactly where the principle of exhaustion comes into play; therefore, under Section 30(3)(b), the registered owner/manufacturer has no right to object to any dealing.*

113. The only caveat is in Section 30(4) where, if the marks are removed from the original product or it is disfigured or changed in a manner that possibly amounts to "change" or "impairment", and when such goods are sold as goods identified with the manufacturer, the manufacturer's right kicks in to prevent the same. *This is obviously to prevent the loss of reputation and goodwill of the manufacturer, since a consumer may potentially purchase that product thinking that the changed/impaired product is from the manufacturer.*

114. This is where the necessity of "full disclosure" becomes critical from the customer's perspective. If there is "full disclosure" by the refurbisher that the change has been done by the refurbisher and does not, therefore, resemble the original product, as doled out by the manufacturer, *inter alia*, in terms of warranty, serviceability, life, manuals and brochures — then consumers are fully warned as to what they are purchasing. The consumer gets "the whole truth". The mandate of the "whole truth" is not only alive in the interstices of Sections 30(3) and 30(4), but also expressly dealt with in both ***Champion Spark Plug Co.*** and ***Kapil Wadhwa***. Learned amicus submissions also suggests the "whole truth" principle and, therefore, informs our conclusion.

115. As noted above in Para 8 above, two kinds of orders were passed by this Court in these batch of matters: (i) an ad interim injunction; and (ii) directions permitting sale with a disclaimer on the defendants' products of "used and refurbished". Prima facie, therefore, the necessity of disclaimer had also appealed to the court, even at the initial stage of the matter."

**81.** The judgment concludes with the directions, in para 116 and reproduced in para 10 *supra*.

## F. Rival Contentions before this Court

**82.** Given the number of Counsel who argued, and the volume of submissions advanced, we deem it appropriate to itemize the submissions, even though it may entail some repetition. We are also including, here, the submissions of Ms. Shwetasree Majumder and Mr. Sidharth Chopra, learned Counsel who appear for the parties in FAO (OS) (Comm) 104/2025, as they are primarily concerned with the same issues.

### I. Submissions of Mr. Pravin Anand for WD

#### (i) Re. passing off

The act of the respondents in selling old and used HDDs of the appellant, representing them to be new HDDs manufactured by the respondent, amounts to "passing off". Analysis of the HDDs using the Crystal Disk Tool revealed that they had run for extensive periods of time.

#### (ii) Re. reverse passing off

(a) The respondents were misrepresenting the appellant's products as theirs.

(b) Examination by the appellant's engineers, and third party technical experts, using the publicly available Crystal Disk Info tool, revealed the original Serial and Model Numbers, which were easily traceable to the appellant. It was not necessary, for the purposes of passing off, for the appellant's mark to be visible to the consumer at the time of sale of the HDD.

(c) If the HDDs malperformed, they would be examined by technical persons, whereupon the appellant's particulars would be readily displayed. This would lead to a presumption that the appellant authorized sale of defective goods. (Presumably, the sequitur that is implied is that the appellant's goodwill and reputation would stand tarnished.)

(d) The respondents' acts have resulted in injury to the appellant's goodwill and reputation, and also reduction in its market stake.

(e) Even in the modified packing, as per the directions issued in the impugned judgment, the appellants' identity is disclosed only in the outer packing, not on the HDD.

Mr. Anand relies, for the purpose of his plea of "reverse passing off", on the judgment of the High Court of Bombay in ***Sheila Mahendra Thakkar v. Mahesh Naranji Thakkar***[33]

(iii) Re. infringement

(a) The acts of the respondents in (i) buying used and old HDDs of the appellant, (ii) effacing the appellant's trade marks, (iii) refurbishing the HDDs, (iv) affixing their own brand with new Serial and Model numbers, (v) selling them as new, and (vi) thereby altering and impairing the original condition of the HDDs as sold by the appellant to OEMs, amounts to infringement in view of Section 30(4) of the Act.

(b) The impairment to the HDDs is not merely cosmetic but relates to the functionality and reliability of the HDDs.

(iv) Other submissions

(a) The HDDs are often used in surveillance equipment. They have enhanced durability, vibration resistance and surveillance specific optimizations. These are critical to safeguard data for security and monitoring

[33] **2003 (27) PTC 501 (Bom) (DB)**

applications, and stand compromised when used HDDs are sold.

(b) Selling the appellant's old and used HDDs as new without disclosing the date of manufacture, the number of hours of prior use, etc. amounts to false trade description, which is actionable under Section 103 read with Section 2(1)(i) of the Act.

(c) The reliance, by the learned Single Judge, on the "right to repair", was misguided. The acts of the respondents do not constitute "repair". Repair cannot be of an end-of-life product.

(d) The respondents used unauthorized third party software tools to rewrite the appellant's Model number and Serial number and display their own.

(e) The concluding directions in the impugned judgment are unworkable and impractical.

II. Submissions of Mr. Ranjan Narula for Seagate

(i) Re. passing off

Misrepresentation of used and old HDDs as new, and sale by the respondents under their brands, after removing the marks of

the appellants, amounted to passing off. The respondents were passing off old and used HDDs as new and unused.

(ii) Re. reverse passing off

(a) The HDDs were clearly identifiable as manufactured by the appellants by the distinct shapes of the silver plates and colours on the PCB[34], which were unique to the appellant.

(b) It was a clear case of consumer confusion, as the respondents were offering the imported products as refurbished Seagate HDDs.

(iii) Re. infringement

(i) Import of SEAGATE branded HDDs without the appellant's authorization itself constituted infringement in view of Section 29(6) of the Act, which includes import of goods within the meaning of the term "use".

(ii) The only escape from this would be if Section 30(3) applied. However, this provision would not come to the aid of the respondent as the HDDs were not "lawfully acquired" by the respondents, as they had been illegally removed from the computers and other

[34] Populated Circuit Board

equipment in which they had been installed by the OEMs. The HDDs were not meant for resale.

(iii) The mere fact that the HDDs had been purchased by the respondents from importers under invoices which included GST did not make their acquisition, by the respondents, legal.

(iv) Section 30(3) was also not available to the respondents as they were claiming to be importing/manufacturing the HDDs, which was a clear misrepresentation.

(v) As the importation of the HDDs was itself unlawful, their subsequent purchase by the respondents could not be lawful.

(vi) Removal of the appellant's trade marks from the HDDs amounted to change in their condition/impairment within the meaning of Section 30(4) of the Act.

(vii) Removal of the appellant's trade mark stickers, followed by modification/reformatting of the HDDs, followed by affixation, on the HDDs, of the respondent's marks, clearly justified application of Section 30(4).

(viii) In their written statement, the respondents had contended that they were manufacturers and importers of the HDDs, and were providing a two year warranty to their suppliers. They were selling end-of-life products as new without disclosing that they were refurbished. This by itself constitutes legitimate ground for the appellant to oppose further dealing in the HDDs by the respondents, within the meaning of Section 30(4).

(iv) Other submissions

(a) The sale of used end-of-life HDDs as new constituted misrepresentation to the consumer. The respondents had produced no material to indicate that they had subjected the HDDs to any technical advancement.

(b) The concluding directions in the impugned judgment, subject to fulfilment with which the respondents had been permitted to sell the refurbished HDDs, were beyond the pleadings and were contrary to the case set up by the respondents themselves.

(c) The respondents were not "refurbishing" the HDDs, as refurbishment involves extending of the life of the product by making technical improvements.

(d) There was no "severance of the umbilical cord" between the appellants and the OEMs, as the learned Single Judge has held. In case of any defect during the warranty period, the consumer approached the OEMs, who in turn approached the appellants, who would repair the HDDs if they were under warranty.

(e) Allowing the respondents to continue with their activities could have serious consequences. The HDDs were used in surveillance cameras, whose quality would be diminished if end-of-life HDDs were used. This could compromise surveillance integrity.

III. Submissions of Ms. Shwetasree Majumder for WD in FAO (OS) (Comm) 104/2025

(i) Re. infringement

(a) The HDDs were not meant for retail sales. As such, their purchase by the respondents could not be regarded as "licit acquisition".

(b) The invoice on record indicated that the HDDs were, moreover, not purchased from the OEMs, but from an unknown third party.

(c) There was material impairment in the condition of the HDDs after they were put on the market by the appellant. This was clear from a Technical Report on the HDDs imported by the respondent and obtained from the Customs authorities, by a Staff Engineer at SanDisk India Device Design Centre Pvt Ltd which revealed that (i) the HDDs were old and some were inoperable, and could not be read, (ii) the HDDs were not in their original Electrostatic Discharge (ESD) packaging and (iii) there were stickers on the packaging hiding the date of manufacture.

(d) The written statement of the respondent acknowledged the fact that he had the intent to sell the HDDs as new and original products, claiming an "understanding" that they were unused.

(e) In this case, the respondent was intending to sell the imported HDDs as it were under the appellant's trade mark. The case was not, therefore, one of refurbishing, and Section 30(3) would not be available.

(ii) Other submissions

(a) There could be no question of allowing release and sale of changed or impaired goods in the market with "full disclosure". The principle of "full disclosure", as enunciated in ***Kapil Wadhwa***, applies where the goods as

such are sold in the market, not where they are changed or impaired.

(b) The learned Single Judge could not have allowed third parties to affix the appellant's trade mark on the goods. This violated Sections 29(2), (6) and (7)[35] of the Act.

IV. Submissions of Mr. Dushyant Mahant, on behalf of Consistent

(i) Re. passing off

There was no misrepresentation by the respondents at any point, either in the representations on the product HDDs or on the packing thereof.

(ii) Re. reverse passing off

(i) The principle of reverse passing off is foreign to Indian law.

(ii) In any event, for the principle to apply, the consumer would have to identify the product as the appellant's at an initial glance, which was clearly not the

[35] (7) A registered trade mark is infringed by a person who applies such registered trade mark to a material intended to be used for labelling or packaging goods, as a business paper, or for advertising goods or services, provided such person, when he applied the mark, knew or had reason to believe that the application of the mark was not duly authorised by the proprietor or a licensee.

case here. No evidence to this effect was cited by the appellants either.

(iii) The respondents did not use the appellant's trade marks at any point. No consumer would, therefore, identify the HDDs with the appellants.

(iv) No consumer purchases the HDDs on the basis of the shape of the silver plate or the colour on the HDDs. The consumer, who purchases a refurbished HDD, does so consciously and in full awareness of the fact.

(v) The identity of the appellants as the original manufacturers of the HDDs could be discovered, if at all, only on intensive technical analysis.

(vi) Thus, there is no question of reverse passing off.

(vii) The respondents have not, at any point of time, tried to take advantage of the status or reputation of the appellants' registered trademarks.

(iii) Re. infringement

(a) The respondents were not using the appellant's trade marks in the course of trade. Section 29 was, therefore, not applicable to refurbishers who were not dealing in the goods under the registered trade marks of

the appellant. Per consequence, Section 30(3) would also not apply.

(b) There is no material whatsoever, to indicate that the acquisition of the HDDs by the respondents was unlawful.

(c) No functional impairment had been caused to the product. Rather, the respondents had improved and repaired the HDDs and increased their life span. Section 30(4) was, therefore, not applicable.

(d) Debranding is not objectionable, as per Kerly's Law of Trade Marks.

(e) The extension, by the respondents, of their own warranties and after sales service to their customers, cannot concern the appellants in any way.

(iv) Other submissions

(a) The complaints raised by the appellants do not pertain to the realm of intellectual property infringement or passing off. They relate to import policy, enforcement of the terms of the FTP, consumer protection, and the like, which are not subject matter of these proceedings, and could not have been adjudicated by the learned

Single Judge as part of the Intellectual Property Division of this Court. No tort, relatable to Section 27 or 29 of the Act, was pointed out by the appellants.

(b) The plea that the respondents were resorting to false trade descriptions pertained to Section 103, not Section 29 of the Act.

(c) The alternative packing suggested by the learned Single Judge in the concluding paragraph of the impugned judgment would allay all the apprehensions and grievances of the appellants.

In support of his submissions, Mr. Mahant relies on paras 19.6.1, 19.9, 35.6, 36.1, 36.3, 40.1, 40.4, 40.6, 46 and 49 of the judgment of the Supreme Court in ***Pernod Ricard***.

V. Submissions of Ms. Rashi Bansal for Daichi and Geonix

(i) Re. passing off

(a) The appellants had no connection with the respondents' consumers. The appellants had not cited any instance of any complaint being lodged, with them, by any of the respondents' consumers.

(a) The respondents were not riding on the appellant's goodwill or reputation. They were not using the appellants' trade marks at any stage.

(ii) Re. reverse passing off

(b) The buyer of such HDDs was prudent and technically literate. He would know that he was purchasing refurbished HDDs. There was, therefore, no likelihood of confusion.

(c) Likelihood of confusion was required to be established at the point of sale of the goods, and not at a later stage, for a plea of passing off to succeed.

(d) The plea that the identity of the appellants as the original manufacturers of the HDDs could be discovered by using the Crystal Disk Info tool was, therefore, inconsequential. Besides this tool was not available to, or accessible by all and sundry.

(e) The appellants' goodwill and reputation had not been affected, in any manner, by the respondents' acts. The appellants had no business in refurbished goods. No material indicating any damage to the appellants' goodwill or reputation had been placed on record by them.

(iii) Re. infringement

(a) Once the appellants had sold the HDDs to the OEMs, the principle of international exhaustion applied.

(b) The respondents checked the condition of the HDDs, gave them separate Serial and Model numbers and thereafter sold them. They could not, therefore, be said to have changed or impaired their condition for the purposes of Section 30(4).

(iv) Other submissions

(a) As the appellants' business interests, and goodwill, were not affected by the respondents' acts, they were not subjected to any irreparable loss or prejudice as a result thereof. They could, therefore, easily be compensated in monetary terms, were they to succeed in the suit. The balance of convenience was also, therefore, in favour of denial, rather than grant, of injunction as sought by the appellants.

VI. Submissions of Mr. Sidharth Chopra on behalf of Hansraj Dugar

(i) Re. passing off/reverse passing off

Once there was full disclosure, there could be no question of misrepresentation; ergo, there could be no passing off either.

(ii) Re. infringement

(a) Section 30(3) did not create a new specie of infringement. Section 30 was titled "Limits on effect of a registered trade mark". Section 30(3), therefore, merely articulated the principle of international exhaustion. Infringement was required to be independently established under Section 29. Sale of the appellant's HDDs, in their original condition, could never satisfy the ingredients of Section 29. Section 29(6) was not an independent substantive provision.

(b) That apart, even assuming Section 30(3) applied, once the HDDs had been sold by the appellant to the OEM, the title in the HDDs passed to the OEM. Further sale by the OEM could not, therefore, be regarded as illicit or illegal.

(c) Equally, once the respondent purchased the HDDs against a valid commercial invoice, title in the HDDs passed to the respondent. The appellant could not assert its intellectual property rights to the derogation of the ownership rights of the respondent.

(d) There was no material to indicate that the acquisition of the HDDs, by the respondent, was unlawful in the country in which they were acquired.

(e) "Change" or "impairment", under Section 30(4), implies a positive act, and not natural wear and tear.

## G. Analysis

I. Re. the plea of "reverse passing off" and "passing off"

I.1 Plea of "reverse passing off" is foreign to our trade mark jurisprudence, and does not clothe the appellants with an enforceable cause of action

**83.** Mr. Dushyant Mahant sought to contend that the tort of "reverse passing off" is foreign to trademark jurisprudence in this country.

**84.** The submission, *prima facie*, merits acceptance.

**85.** Trade mark rights, in our country, are cabined and confined within the Trade Marks Act. The "saving clause" with reference to passing off is contained in Section 27(2)[36], which clarifies that nothing in the Act would affect the rights of action against "any person for passing off goods or services as the goods *of another person* or services provided *by another person*, or the remedies in respect

[36] (2) Nothing in this Act shall be deemed to affect rights of action against any person for passing off goods or services as the goods of another person or as services provided by another person, or the remedies in respect thereof.

thereof". It is true that the provision does not read "any person for passing off *his* goods or services as the goods of another person or services provided by another person…" However, we regarded it as implicit, in Section 27(2), that passing off must be of one's goods or services as those of another. In other words, if Mr. X were to represent the goods of Mr. Y as those of Mr. Z, it would not, to our mind, constitute "passing off" as envisaged in Section 27(2).

**86.** This is also clear from various judicial pronouncements of the Supreme Court which identify the ingredients of "passing off".

**87.** In ***Kaviraj Pt Durga Dutt Sharma v. Navaratna Pharmaceutical Laboratories***[37], the Supreme Court observed that "an action for passing off is a Common Law remedy being in substance an action for deceit, that is, a passing off by a person *of his own goods* as those of another". Similarly, in ***Satyam Infoway Ltd v. Siffynet Solutions (P) Ltd***[38], the Supreme Court held that "an action for passing off, as the phrase 'passing off' itself suggests, is to restrain the defendant from passing off *its* goods or services to the public as that of the plaintiff's". We may reproduce, to advantage, paras 13 to 15 of ***Satyam Infoway*** thus:

> "13. The next question is, would the principles of trade mark law and in particular those relating to passing off apply? An action for passing off, as the phrase "passing off" itself suggests, is to restrain the defendant from passing off its goods or services to the public as that of the plaintiff's. It is an action not only to preserve the reputation of the plaintiff but also to safeguard the public. *The defendant must have sold its goods or offered its services in a*

[37] **AIR 1965 SC 980**
[38] **(2004) 6 SCC 145**

*manner which has deceived or would be likely to deceive the public into thinking that the defendant's goods or services are the plaintiff's.* The action is normally available to the owner of a distinctive trade mark and the person who, if the word or name is an invented one, invents and uses it. If two trade rivals claim to have individually invented the same mark, then the trader who is able to establish prior user will succeed. The question is, as has been aptly put, who gets these first? It is not essential for the plaintiff to prove long user to establish reputation in a passing off action. It would depend upon the volume of sales and extent of advertisement.

14. The second element that must be established by a plaintiff in a passing off action is misrepresentation by the defendant to the public. The word "misrepresentation" does not mean that the plaintiff has to prove any mala fide intention on the part of the defendant. Of course, if the misrepresentation is intentional, it might lead to an inference that the reputation of the plaintiff is such that it is worth the defendant's while to cash in on it. An innocent misrepresentation would be relevant only on the question of the ultimate relief which would be granted to the plaintiff [***Cadbury-Schweppes (Pty) Ltd. v. PUB Squash Co. (Pty) Ltd.***[39]; ***Erven Warnink Besloten Vennootschap v. J. Townend & Sons (Hull) Ltd***.[40]]. What has to be established is the likelihood of confusion in the minds of the public (the word "public" being understood to mean actual or potential customers or users) *that the goods or services offered by the defendant are the goods or the services of the plaintiff*. In assessing the likelihood of such confusion the courts must allow for the "imperfect recollection of a person of ordinary memory" [***Aristoc Ltd. v. Rysta Ltd.***[41]].

15. The third element of a passing off action is loss or the likelihood of it."

(Emphasis supplied)

These passages stand approvingly cited by the Supreme Court in its somewhat recent decision in ***Brihan Karan Sugar Syndicate Pvt Ltd v. Yashwantrao Moyhite Krushna Sahakari Sakhar Karkhana***[42].

[39] **(1981) 1 WLR 193**
[40] **(1979) 3 WLR 68**
[41] **1945 AC 68 (HL)**
[42] **(2024) 2 SCC 577**

**88.** Inasmuch as Section 27(2) saves the "rights of action against any person" for passing off, the right of action which is saved is, clearly, the right of action against a defendant for passing off *its goods as those of the plaintiff*.

**89.** Once Section 27(2) saves only the rights of action against a person for passing off goods or services as those of another person, and the Supreme Court has clarified that "passing off" involves misrepresentation, by one person, of his goods or services, as those of another, we cannot, by judicial fiat, expand the existing statutory rights by including a right of action against a person for misrepresenting goods or services of someone else as his own. That, clearly, is not "passing off", and the appellants acknowledge as much by referring to it as "reverse passing off". Section 27(2) does not save the right, if at all, against a person for misrepresenting goods of someone else as his own.

**90.** This position is fortified by a reading of Sections 134(1)[43] and 135(1)[44] of the Act.

---

[43] **134. Suit for infringement, etc. to be instituted before District Court**.—
(1) No suit—
*****
(c) for passing off arising out of the use by the defendant of any trade mark which is identical with or deceptively similar to the plaintiff's trade mark, whether registered or unregistered,
shall be instituted in any court inferior to a District Court having jurisdiction to try the suit.

[44] **135. Relief in suits for infringement or for passing off**. –
(1) The relief which a court may grant in any suit for infringement or for passing off referred to in Section 134 includes injunction (subject to such terms, if any, as the court thinks fit) and at the option of the plaintiff, either damages or an account of profits, together with or without any order for the delivery-up of the infringing labels and marks for destruction or erasure.

**91.** Section 134(c) envisages institution of a suit "for passing off arising out of the *use by the defendant* of any trademark which is identical with or deceptively similar to the plaintiff's trademark". Thus, the suit which may be filed under Section 134 is a suit which is aggrieved by the use, *by the defendant*, of the trademark which results in the tort of passing off. The defendant must, therefore, be *the user* of the allegedly injurious trademark. This, too, indicates that the Act does not envisage a suit by a plaintiff alleging that a defendant has passed off the goods of the plaintiff or, for that matter, of anyone else, as his own.

**92.** Section 135(1) provides for a relief of injunction, apart from damages, delivery up and rendition of profits, "in any suit for infringement or for passing off *referred to in section 134*". No injunction can, therefore, be granted in a suit which alleges that the defendant is misrepresenting the plaintiff's goods as its own, as that would neither constitute "passing off" within the meaning of Section 27(2), nor does Section 134 envisage filing of a suit in such a case.

**93.** We, therefore, agree with Mr. Mahant that no right to sue, or obtain an injunction, on the ground of "reverse passing off", is available in our jurisprudence, at least in trade mark law. We do not express any view on whether any injunction, against such an act, is available under any other statute, or law for the time being in force.

**94.** All arguments by the appellants, predicated on the allegation of "reverse passing off" are, therefore, liable to be rejected even on this ground.

I.2 Ingredients of "passing off" and "reverse passing off" are absent

**95.** Even if, for the sake of argument, we were to assume that "reverse passing off" is actionable as a tort in our jurisprudence, the ingredients of the said tort, as identified by the appellants themselves, are, to our mind, absent in the present case.

**96.** "Reverse passing off", according to learned Counsel for the appellants, applies where a defendant seeks to misrepresent the goods of the plaintiff as its own, but sufficient indicia exist to enable the consumer to identify the goods as of the plaintiff. "Reverse passing off", therefore, involves two ingredients; the first being misrepresentation, by the defendant, of the goods of the plaintiff as its own, and the second being the ability of a consumer to identify the goods as those of the plaintiff, despite attempts to the contrary by the defendant.

**97.** Apropos the second ingredient, we are in agreement with the submission of Ms. Bansal that the likelihood of identification, by a consumer, of the goods as being those of the plaintiff, despite the misrepresentation to the contrary by the defendant, must take place at the time when the goods are initially seen by the plaintiff. Ms. Bansal,

therefore, seeks to incorporate, into the ingredients of "reverse passing off", the element of initial interest confusion.

**98.** The requirement of likelihood of confusion permeates both the tort of infringement as well as that of passing off. The principle of "initial interest confusion" requires the aspect of likelihood of confusion by the consumer to be assessed at the point of "initial interest", i.e., when the consumer first sees the goods of the defendant. This principle applies as much to passing off as to infringement, as there is no qualitative difference between confusion in one case and confusion in the other.

**99.** While "passing off" envisages confusion in the mind of the consumer, when he sees the goods, or the mark, of the defendant, "reverse passing off" envisages exactly the opposite, i.e., *clarity* in the mind of the consumer, regarding the origin of the goods, despite the defendant seeking to mask it. The likelihood of confusion, for the purposes of passing off, must exist at the initial interest stage, and we see no reason why this principle should not apply to the likelihood of clarity, in the mind of the consumer, in a case of reverse passing off. In other words, for a case of reverse passing off to successfully be pleaded – assuming reverse passing off its actionable as a tort in our jurisprudence – it must be shown that, though the defendant seeks to misrepresent the goods as being his, though they are of the plaintiff, by masking the plaintiff's trademark or by any other means, the consumer is able to identify the goods as those of the plaintiff at the

initial interest stage, i.e., when the consumer first comes across the goods.

**100.** No material, to so indicate, has been cited or produced by the appellants. Though it has been sought to be contended that the shape and colour of the HDDs were unique to the appellants, and that they would serve as sufficient indicia to enlighten the consumer that the HDDs were originally manufactured by the appellants, no corroborative material, to substantiate these assertions, is on record. There is nothing to indicate that the shapes of the colours of the HDDs were unique to the appellants, and were not used by anyone else in the industry, nor is there enough material for us to come to a *prima facie* conclusion that an average consumer would be able to identify the HDDs as originating from the appellants solely on that basis. The onus, to make out such a case, was undeniably on the appellants and, to our mind, the onus has not been satisfactorily discharged.

**101.** Perhaps conscious of this chink in the appellants' armour, learned Counsel for the appellants have originally sought to contend that, if the HDDs were scanned using the Crystal Disk Info tool, the original Serial numbers and Model numbers affixed thereon by the appellants, as well as the identity of the appellants themselves as the original manufacturers of the HDDs, would be revealed. That, however, would not amount to clarity in the mind of the consumer at the initial interest stage and cannot, therefore, suffice to make out a case of reverse passing off.

**102.** Besides, these submissions, again, are a matter of trial, at best. Ms. Bansal has submitted, and we agree with her, that the Crystal Disk Info tool may not be available for everyone to either access or source. In fact, the appellants have led no material with respect to the ease of accessibility of the Crystal Disk Info tool. The Court cannot, quite obviously, accept, at face value, the contention of the appellants that the tool is readily available or that it is frequently used or accessed. These are all matters of evidence, which cannot constitute the basis for deciding the Order XXXIX application.

**103.** A simultaneous, though somewhat fainter, submission was advanced, by learned Counsel for the appellants, that, by misrepresenting used and end of life HDDs as new, manufactured and imported by the respondents, they were indulging in passing off. *Prima facie*, we cannot agree. If the respondents were doing this, it might amount to cheating the consumers and, perhaps, a ground to proceed under consumer protection law, but it does not constitute "passing off" as understood in trademark jurisprudence.

**104.** There is yet another reason why the appellants cannot, *prima facie*, seek an injunction against the respondents on the ground of "passing off" or "reverse passing off". "Passing off" involves not merely an aspect of misrepresentation, but also misappropriation of the goodwill of the plaintiff, resulting in damage to the plaintiff. The three ingredients of passing off, it is trite, are goodwill,

misrepresentation and damage[45]. If these are the ingredients of passing off, we see no reason why they would also not be the ingredients of reverse passing off.

**105.** Quite clearly, the respondents cannot be said to be misappropriating the goodwill of the appellants in any manner. Nor have the appellants been able to demonstrate that the goodwill which resides in their registered trademarks has suffered any damage, or prejudice as a result of the respondents' acts. We agree with learned Counsel for the respondents that, indeed, the existence of any such damage may be doubtful, as the HDDs in which the respondents deal, and which form subject matter of the present controversy, are end-of-life HDDs, which effectively stand abandoned and for which the appellants do not provide any warranty. Once the HDDs have reached end-of-life stage, and have effectively been discarded by the OEMs, we do not see how any goodwill of the appellants, in the marks affixed on the said HDDs, could be said to continue to subsist.

**106.** Mr. Anand sought to submit, in this context, that, if the HDD did not perform properly, and were to be serviced, the technical persons who would then access the HDD would be able to ascertain that the HDD was manufactured by the appellants. In such an event, he submits that the consumer public might form an impression that the appellant was complicit in allowing used and end of life HDDs to be circulated in the market.

[45] Refer **S. Syed Mohideen v. P. Sulochana Bai, (2016) 2 SCC 683, Toyota Jidosha Kabushiki Kaisha v. Prius Auto Industries Ltd, (2018) 2 SCC 1, Cadila Health Care v. Cadila Pharmaceuticals Ltd, (2001) 5 SCC 73, Brihan Karan Sugar Syndicate**

**107.** These are all submissions which belong to the realm of assumption and conjecture. At the very least, they would require evidence, to be substantiated even *prima facie*. In view of the fact that the HDDs are sold, not under the trademarks of the appellants, but under those of the respondents, we cannot accept Mr. Anand's submission that a consumer would form an impression that the appellant had permitted circulation of the HDDs in the market.

**108.** There is, therefore, no *prima facie* evidence of misappropriation of the appellants goodwill by the respondents or, for that matter, any damage or prejudice being caused to the goodwill residing in the appellants' registered trade marks by the sale of the refurbished HDDs by the respondents. Absent any such material, we are of the opinion that no successful case of reverse passing off can be said to have been made out.

**109.** We, therefore, are of the opinion that the appellants have not been able to make out any case of passing off, or of reverse passing off. The submissions to that effect by the appellants, therefore, deserve to be rejected.

II. Re. infringement

II.1 Neither Section 30(3) nor Section 30(4) calls for invocation, as no case of infringement within the meaning of Section 29 is made out

**110.** We have already set out, in paras 20 to 44 *supra*, our understanding of Sections 30(3) and 30(4), *vis-à-vis* Section 29. Viewed from that perspective, it is clear that no case of infringement, even *prima facie*, can be said to be made out in the present appeals.

**111.** Section 30(3), as we have already observed, does not create a new specie of infringement. It merely states that, if goods bearing a registered trademark are lawfully acquired by a person, who thereafter sells or otherwise deals in the said goods, then, if the circumstances envisaged in clause (a) or clause (b) in the said sub-section apply, the act of the person in selling or dealing in the goods would *not* amount to infringement. By no stretch of imagination, to our mind, can Section 30(3) be said to be carving out a new specie of infringement or setting out circumstances in which the act of a person would *amount* to infringement.

**112.** What Section 30(3) says is, therefore, that, *if the sale of, or dealing with, the lawfully acquired goods bearing the registered trade mark of another* <u>*otherwise amounts to infringement*</u>, then it would *not* be infringing if either of the circumstances in clause (a) or (b) applies. The question of applying Section 30(3), therefore, would arise only if the sale of, or otherwise dealing in, the lawfully acquired goods bearing the trademark of another, *amounts to infringement* within the meaning of Section 29, as Section 29 constitutes a complete and self-contained code with respect to infringement.

**113.** The respondents are not importers of the HDDs. They purchase the HDDs from the importers and sell them in the market after refurbishing. Before selling them in the market, the respondents efface the registered marks of the appellants and affix their own trade marks.

**114.** It is nobody's case that the respondents' trade marks are either identical with, or deceptively similar to, the appellants' registered trade marks. Sale of goods bearing a registered trademark, after removing the trademark, cannot constitute "infringement" under any of the sub-sections of Section 29. Without proceeding sub-section by sub-section, a bare reading of Section 29 reveals that infringement, within the meaning of the Section, takes place only where the infringer uses the allegedly infringed registered trademark, or a trademark which is deceptively similar thereto, in the course of trade. "Use of a registered trademark" is defined in Section 29(6). It includes, in clause (b), offering or exposing the goods, bearing the registered trade mark, for sale, *but does not include purchase of goods bearing a registered trademark*. Before selling the HDDs, the respondents remove the appellants' trademarks. They do not, therefore, use either the appellants' registered trademarks or any mark which is deceptively similar thereto, in the course of trade. They do not, therefore, commit any act of infringement, as defined in Section 29 of the Act.

**115.** If no act of infringement, within the meaning of Section 29, is committed by the respondents, no occasion arises to proceed to Section 30(3) of the Act, at all.

II.2 Assuming Section 30(3) is at all invocable, its ingredients are fully satisfied

**116.** The learned Single Judge has, in the impugned judgment, held that sale of the HDDs after effacing, therefrom, the originally affixed trade marks of the appellants, and affixing the trade mark of the respondents in their place, would not constitute further "sale" of the HDDs for the purposes of Section 30(3). This observation, to our mind, is not justified on a plain reading of Section 30(3).

**117.** The identity of the goods, as the goods per se, in Section 30(3), is not dependent on, or conditioned by, the trade mark which may be affixed or present thereon. The sub-Section refers to "*goods* bearing a registered trade mark". In other words, the registered trade mark is only affixed on the goods, and the goods do not lose, or change, their identity as the goods even if the trade mark is changed. Significantly, Section 30(3) does not refer to "sale of the goods *as such* in the market", but only to "sale of the goods in the market". The interpretation placed by the learned Single Judge would amount to reading, into Section 30(3), the words "as such". This, to our mind, is not permissible.

**118.** Even after effacing the originally affixed trademarks of the appellants and substituting, in their place, the trademarks of the respondents, the further sale of the goods in the market, with such substituted trademark would, therefore, to our mind, constitute "sale

of the goods in the market" for the purposes of Section 30(3) of the Act.

**119.** We are, however, in entire agreement with the learned Single Judge that it cannot be said that the HDDs were not "lawfully acquired" by the respondents.

**120.** We agree with Mr. Narula in his submission that if the import of the HDDs was illegal, the subsequent acquisition of the illegally imported HDDs by the respondents, even if under valid commercial invoices, may not constitute "lawful acquisition". However, there is nothing to indicate, as the learned Single Judge has correctly observed, that the import of the HDDs was in any manner illegal.

**121.** We endorse the findings of the learned Single Judge that the appellants led no evidence to indicate that there was any proscription on the OEMs to whom they had sold the HDDs, either contractual or statutory, from further dealing in the HDDs, especially after they had reached end-of-life stage and the appellants themselves provided no further warranty. Though learned Counsel for the appellants repeatedly asserted that the HDDs were not "meant for resale", that submission, besides itself being unsupported by any corroborative material, begs the issue. The question is not whether the HDDs, as supplied to the OEMs, were "meant for resale", but whether there was any proscription on the OEMs reselling them after they had reached end-of-life stage. We endorse the finding of the learned Single Judge that, from the material on record, no such proscription is forthcoming.

**122.** The extraction of the HDDs from the equipment into which they had been installed by the OEMs, and further sale of the HDDs by the OEMs, to the importers who later imported the HDDs into India cannot, therefore, be regarded as unlawful.

**123.** Once the acquisition of the HDDs abroad, by the importers, is not found to be unlawful, the next question to be addressed is whether the import of the HDDs into India was illegal. The learned Single Judge has answered this question in the negative, and we agree with him.

**124.** Learned Counsel for the appellants relied, in this context, on para 2.31 of the FTP. In the first place, the appellants could not be permitted to rely on para 2.31 without referring to the Customs Notification dealing with re-export of the refurbished HDDs. This is for the simple reason that para 2.31 does not, in any way, prohibit import of HDDs for refurbishing. In fact, it makes it clear that such import was free. The only condition, contained in the said paragraph of the FTP, was that the refurbished goods had to be re-exported as per the applicable Customs Notification. At the highest, therefore, any infraction of para 2.31 could take place only if the refurbished goods were not re-exported as envisaged by the said paragraph. Besides the fact that, if any infraction did take place on that count, it would not render the import unlawful for the purposes of applicability of the Trade Marks Act, but may constitute a ground for the Customs authorities to proceed against the importer, no view in that regard can

be taken till the Customs Notification, governing re-export of the refurbished goods, is there before us. None of the learned Counsel for the appellants has produced the said Notification and, therefore, it is not even open to us to arrive at the finding as to whether the condition of re-export, as contained in para 2.31 was, or was not, breached.

**125.** In the absence of any such material, we agree with the learned Single Judge that para 2.31 of the FTP does not, in any manner, indicate that the import of the HDDs was illegal. Rather, para 2.31 makes it clear that the HDDs were freely importable.

**126.** Thus, as (i) no proscription on resale of the HDDs as sold by the appellants to the OEMs, is forthcoming, (ii) there is no material to indicate that the import of the HDDs into India was illegal and (iii) the appellants had purchased the said HDDs from the importers under commercial invoices on which GST was also paid, we endorse the finding, of the learned Single Judge, that the appellants had "lawfully acquired" the HDDs for the purposes of Section 30(3) of the Act.

**127.** Assuming that Section 30(3) at all called for invocation, therefore, all indicia of the said provision stand fulfilled and, when viewed in the light of Section 30(3) alone, the acts of the respondents cannot be said to amount to "infringement".

II.3 Section 30(4) is not applicable

**128.** Section 30(3), however, is subject to Section 30(4), in that, if Section 30(4) applies, the protection of Section 30(3) would not be available. Even in such a case, to our mind, the act of the respondents would not *ipso facto* amount to infringement, if the ingredients of Section 29 are not fulfilled in the first instance.

**129.** We cannot agree with Mr. Anand in his submission that, if Section 30(4) would apply, the respondents' acts would *ipso facto* become infringing. The "exception to an exception" argument of Mr. Anand, in our view, over-simplifies the issue. We are prepared to go along with Mr. Anand in this submission, *to the extent* that Section 30(4) *is* in the nature of an exception to an exception. If, therefore, Section 30(4) does apply, the only result is that the benefit of Section 30(3), which would protect the respondents' acts from the taint of infringement, would not apply. The acts, themselves, would nonetheless have to be shown to be infringing, within the meaning of Section 29, as Section 30(3), we reiterate, does not create a new and independent specie of infringement.

**130.** In the facts of the present case, we are, however, of the view that Section 30(4) would *not* apply. We have already advanced our interpretation of Section 30(4) in paras 39 to 44 *supra*. Applying the said interpretation, it cannot be said that legitimate reasons existed or the appellants to oppose further dealings in the refurbished HDDs by the respondents or, indeed, the refurbishment act itself.

**131.** The learned Single Judge has held, in the impugned judgment, that the umbilical cord binding the appellants to the HDDs was severed immediately upon the HDDs being installed, by the OEMs, in computers or other such equipment. Learned Counsel for the appellants countered this finding and, to justify the challenge, pointed out that the appellants continued to extend warranty, for the HDDs, even after they were installed in the equipment. Learned Counsel submit that, if the OEM received any complaint from the consumer to whom the computer or other equipment was sold, and the defect was found to reside in the HDD, the OEM contacted the appellant, who would effect the requisite repair, if the HDD was within warranty period.

**132.** This submission, even by itself, defeats the appellants' case, insofar as the aspect of severing of the umbilical cord is concerned, as it links the "umbilical cord" to the providing of warranty by the appellants. Applying the extension, by the appellants themselves, of the metaphor employed by the learned Single Judge, the umbilical cord might not have been severed at the point when the HDDs were installed in the equipment by the OEMs, but it unquestionably stood severed when the HDDs reached end-of-life stage, and the appellants' warranty, in respect of the HDDs, was no longer available. After that point, we concur with the learned Single Judge that the appellants did not have any further concern with the HDDs, or what was done with them.

**133.** There is nothing to indicate that the respondents' acts impaired the condition of the HDDs in any manner. Indeed, no such plea of impairment has even been seriously advanced by the appellants. The appellants' contention is that, by erasing the appellants' registered marks and affixing, on the HDDs, their own trademarks, removing the software embedded in the HDDs by the appellants and replacing it with their software, and changing the Serial numbers and Model numbers of the HDDs, the respondents "changed" the condition of the HDDs within the meaning of Section 30(4).

**134.** We have already opined that the word "changed", as employed in Section 30(4), has to be read *noscitur a sociis* with the word "impaired". Read together, applying the said principle, it cannot be said that the respondents "changed or impaired" the condition of the HDDs by the acts undertaken by them. Significantly, it has never been the contention of learned Counsel for the appellants that the appellants were in any manner concerned with, or were entitled to monitor, further transactions in respect of the HDDs, once they reached end-of-life stage and the appellants ceased to provide any warranty in respect thereof.

**135.** In that view of the matter, irrespective of the aspect of whether the respondents changed or impaired the condition of the HDDs, we are further of the view that there could not be said to exist any legitimate reason for the appellants to oppose further dealings in the HDDs.

**136.** It might have been another matter if the manner in which the respondents dealt with the HDDs was in any manner prejudicial to the appellants, or diminished their goodwill or reputation. No material, worth its name, is forthcoming to the said effect. Any change in the HDDs, even if effected by the respondents, could not be said to prejudice the appellants in any manner, so as to provide, to the appellants, legitimate reasons to oppose further dealings in the HDDs, within the meaning of Section 30(4) of the Act.

**137.** As a result, we are of the opinion that Section 30(4) would not be available to the appellants.

II.4 The sequitur

**138.** The sequitur would, therefore, be that no case of infringement, of the appellants registered marks, can be laid at the door of the respondents.

III. Other submissions

**139.** Other submissions advanced by the appellants are, really, of no substantial significance.

**140.** The submission that the HDDs are used in surveillance equipment and that, if their quality is compromised, it could result in security concerns, is really neither here nor there. No material, to indicate that the refurbished HDDs could not be used in the

surveillance equipment, is forthcoming. In any event, this is a consideration which is alien to the controversy before us, as it does not impact either infringement or passing off.

**141.** The plea that the respondents were indulging in "false trade descriptions" is, again, irrelevant to the issue in controversy. No remedy, under Section 135 of the Act, is available on this ground. As learned Counsel for the appellants themselves acknowledge, resorting to "false trade descriptions" is covered by Section 103 of the Act, which cannot constitute a ground to seek an injunction.

**142.** The learned Single Judge has proceeded on the concept of "right to repair". Learned Counsel for the appellants submit that the acts of the respondents do not fall within the purview of the concept of "repair". To our mind, this discussion is unnecessary for the purposes of resolution of the controversy in issue. We do not, therefore, propose to enter into this aspect.

IV. Re. concluding directions issued by the learned Single Judge

**143.** Learned Counsel for the appellants sought to contend that the respondents ought to have been altogether injuncted, and that, therefore, the concluding directions issued by the learned Single Judge were not justified. Mr. Anand has also sought to contend that they are unworkable.

**144.** The respondents have not chosen to challenge the said directions.

**145.** In view of our finding that there is no *prima facie* case either of passing off, or of reverse passing off, or of infringement, the applications of the appellants, under Order XXXIX Rules 1 and 2 of the CPC, deserved, in our view, to be dismissed.

**146.** It may also be disputable whether, having found the respondents not to be entitled to the benefit of Section 30(3), and that Section 30(4) applied – with both of which conclusions we respectfully beg to disagree – the learned Single Judge could have proceeded to issue the directions contained in para 116 of the impugned judgment. We may note that this Court, in a recent decision in ***Mohd Talha v. Karim Hotels (P) Ltd***[46], issued similar directions, which stand stayed by the Supreme Court *vide* order dated 19 January 2026 in SLP (C) 615/2026[47], recording the submission of learned Senior Counsel for the appellant that the directions conflicted with the findings regarding infringement. Till the Supreme Court finally speaks on the issue, therefore, the existence, or otherwise, of power to issue such directions, in an application under Order XXXIX Rules 1 and 2 of the CPC, may be said to be somewhat of a grey area. We may, however, note, in this context, the clear enunciation of the law, in ***Midas Hygiene Industries (P) Ltd v. Sudhir Bhatia***[48], to the effect that, where infringement is found to exist, an injunction must follow.

[46] **2025 SCC OnLine Del 8240**
[47] **Karim Hotels Pvt Ltd v. Mohd Talha**
[48] **(2004) 3 SCC 90**

**147.** Be that as it may, we do not propose to disturb the directions issued by the learned Single Judge, invoking the principle that a party should not be worse off for having appealed.

## H. Itemising our findings

**148.** For the sake of convenience, we may itemise our findings thus:

(i) "Reverse passing off" is not an actionable tort, in our trade mark jurisprudence. This is, *inter alia*, apparent from a reading of Section 27(2) read with Sections 134(1) and 135(1) of the Act, in conjunction with the judgments of the Supreme Court identifying the ingredients of passing off, including, *inter alia*, ***Kaviraj Pt Durga Dutt Sharma*** and ***Satyam Infoway***.

(ii) Assuming, *arguendo*, that "reverse passing off" was actionable as a tort in India, its ingredients are, nonetheless, absent in the present case as:

(a) the "initial interest" test would apply to reverse passing off as well,

(b) the ability of the consumer to be able to identify the goods with the original registered trade mark owner must, therefore, be at the time of initial sale of the goods,

(c) there was nothing to indicate that, at the time of sale of the refurbished HDDs by the respondents, the

consumer would be able to identify them as having been originally manufactured by the appellants,

(d) the ability to identify the HDDs as having originated from the appellant using the Crystal Disk Info tool, could not make out a case of "reverse passing off", apart from the fact that the very availability and accessibility of the said tool would be matters requiring evidence and trial,

(e) there was no misappropriation, by the respondents, of any goodwill of the appellants, and

(f) no material evidence of any damage which had resulted to the appellants, as a result of the acts of the respondents, was available either.

(iii) For the same reason, no case of passing off could, either, be said to exist. Even if it were to be assumed that the respondents were misrepresenting the HDDs as new and, thereby, misleading consumers, that would not constitute "passing off" as understood in trademark jurisprudence.

(iv) In so far as infringement was concerned, Section 30(3) does not create a new specie of infringement but only clarifies that, if the act of a person who lawfully acquires goods bearing a registered trade mark of another, sells them in the market, it would not amount to infringement, if the circumstances envisaged in Section 30(3) applied. As such, the question of resort to Section 30(3) would arise only if the defendants' acts

amounted otherwise to "infringement" within the meaning of Section 29.

(v) "Infringement", under Section 29, requires use, by the defendant, of the registered trademark of the plaintiff or of a deceptively similar mark. Inasmuch as the respondents efface the appellants' marks from the HDDs before refurbishing and selling them, the respondents' acts cannot constitute infringement. As such, Section 30(3) would not call for application.

(vi) Assuming, *arguendo*, that Section 30(3) applies, its ingredients stand satisfied, as

(a) there is no evidence of any proscription on the OEMs further selling the HDDs, especially after they had reached end-of-life stage,

(b) import of the HDDs was not prohibited,

(c) the respondents had purchased the HDDs against commercial invoices on which GST was paid, and

(d) the appellants had themselves placed the HDDs on the market.

(vii) Section 30(4) would not apply, as there was no change or impairment of the HDDs by the respondents, the expression "changed" having to be understood *noscitur a sociis* with the word "impaired", and there was, even otherwise, no legitimate

reason for the appellants to object to further dealings in the HDDs by the respondents.

(viii) Thus, no case of infringement, either, could be said to exist.

(ix) The operative portion of the impugned judgment is maintained, as there is no challenge, thereto, from the respondents, and the appellants could not be placed worse off for having preferred an appeal.

## I. Conclusion

**149.** The appeals are, therefore, dismissed.

**FAO (OS) (Comm) 104/2025**

## J. Facts

**150.** The respondent, in this case, himself imported HDDs, bearing the appellant's trade mark, from Hong Kong and Korea. As in the case of the other appeals decided by this judgment, the HDDs were originally sold by the appellant to OEMs located abroad, from whom, after they had reached end-of-life stage, they were removed from the equipment in which they were installed and sold. Admittedly, at the time of import, the HDDs bore the appellant's registered trademark.

**151.** The appellant submitted that it had been informed telephonically, by the Deputy Commissioner of Customs, that a consignment of HDDs had been imported at the Kolkata Port, which included HDDs of the appellant. The appellant proceeded to institute, before this Court, the suit from which the present appeal emanates, seeking a decree of permanent injunction restraining the respondent from importing or dealing with any HDDs which had been originally sold by the appellant and which bore the appellant's registered trade marks.

**152.** The suit was accompanied by IA 14659/2019, under Order XXXIX Rules 1 and 2, seeking interim injunction. An *ex parte ad interim* injunction was granted on 21 October 2019, for the vacation of which the Respondent filed IA 38495/2024 under Order XXXIX Rule 4 of the CPC. Both these applications were disposed of, by the learned Single Judge of this Court, by judgment dated 16 May 2025, against which the present appeal has been filed.

**153.** The learned Single Judge, while noting that, as the goods had been seized while in Customs area, it was not possible to ascertain the further use to which they were intended to be put and, therefore, that it was not possible to hold that the appellants had made any misrepresentation to the consumer public, found the case to be otherwise parallel, on facts, to the dispute which was decided by his predecessor by the judgment dated 21 May 2024, which forms subject-matter of challenge in the batch of appeals earlier decided by this judgment.

**154.** The learned Single Judge, therefore, disposed of the applications before him in the following terms:

> "37. In case the defendant wishes to resell the imported goods without refurbishment, the defendant would be free to import second-hand goods or "end-of-life" goods bearing the trade marks of the plaintiffs, while adhering to the disclosure norms in *Xerox Corpn.* as set out above. However, in the event the goods are refurbished and subsequently sold in the market, the disclosure norms given in para 116 of *Daichi International case*[1] would apply *mutatis mutandis* in respect of goods imported by the defendant and sold after refurbishment.
>
> 38. Insofar as the goods already imported by defendant are concerned, it is an admitted position that they are still lying in a customs warehouse since the time of their import. This Court, while passing an *ex parte* interim order dated 21-10-2019, has specifically provided that the demurrage or other charges payable to Custom Authority, shall be paid by the defendant.
>
> 39. In light of the discussion above, the goods seized by the Local Commissioner and now lying with the Custom Authority are permitted to be released to the defendant, subject to the defendant filing an undertaking that the said goods shall be sold only as scrap after removing all marks of the plaintiffs. The defendant shall be free to pursue his remedies that may be available in law with regard to demurrage charges payable to the customs."

**155.** We have already noted, herein above, the submissions of Ms. Majumder and Mr. Chopra, learned Counsel appearing for the rival parties in this appeal.

## K. Analysis

**156.** The only point of difference between this appeal, and the other appeals which stand decided by this judgment, is that the respondent,

in this case, was himself the importer of the end-of-life HDDs sold by the appellant to OEMs abroad and purchased by the respondent.

**157.** Though Ms. Majumder seeks to contend that the invoice on record, whereunder the respondent had purchased the HDDs in Hong Kong, had not been issued by the appellants' OEM, that factor may not be of substantial significance at this stage. In so far as the purchase of the HDDs abroad is concerned, the findings and observations entered by us hereinabove, with respect to the batch of appeals challenging the order dated 21 May 2024, would equally apply to the present case, as, here, too, the appellant has not been able to contend that there was any restriction on further sale of the HDDs by the OEMs after they had reached end-of-life stage. The purchase of the HDDs abroad, by the respondent has, therefore, to be treated, at least at this stage, to be licit.

**158.** Unlike the case of the respondents in the batch of appeals covered by the order dated 21 May 2024, however, the respondent, in the present case, himself imported the HDDs bearing the registered trademark of the appellant. Inasmuch as import of goods bearing a registered trade mark amounts to "use" of the registered trademark under Section 29(6), and as the respondent was neither the proprietor, nor the permissive user of the registered trademark of the appellant, the import of the HDDs by the respondent was infringing in nature, within the meaning of Section 29.

**159.** In this case, therefore, Section 30(3) would come into play, to examine whether the respondent would be entitled to the benefit of the said sub-section and, therefore, would escape the taint of infringement.

**160.** The answer, to our mind, has necessarily to be in the affirmative.

**161.** All conditions of Section 30(3) stand satisfied in this appeal as well. The purchase of the HDDs by the respondent abroad is *prima facie* licit. No restriction or prohibition, against import of the HDDs into India, is forthcoming, and the findings in that regard, returned in respect of the earlier batch of appeals, would apply *mutatis mutandis* to the present appeal as well. There is no question of the respondent having changed or impaired the condition of the HDDs, as they were seized while in Customs area. That said, if the respondent were to deal with the HDDs in the manner in which the respondents in the above batch of appeals dealt, there would be no justification to invoke Section 30(4).

**162.** Ms. Majumder sought to contend that the HDDs were not meant for retail sale. For this purpose, however, she relies only on a Technical Report of a Staff Engineer at SanDisk India Device Design Centre Pvt Ltd. Such a report cannot form the basis of consideration at an Order XXXIX stage, till the author of the report is subjected to cross-examination.

**163.** That apart, the report merely states that (i) the HDDs were old and some were inoperable, and could not be read, (ii) the HDDs were not in their original Electrostatic Discharge (ESD) packaging and (iii) there were stickers on the packaging hiding the date of manufacture. This does not, in any way, indicate that there was any restriction or proscription on further sale of the HDDs by the OEMs, especially after they had reached end-of-life stage.

**164.** Ms. Majumder also sought to contend that the permission, granted by the learned Single Judge to the respondents, to affix the respondents' mark, would violate Sections 29(2) and (7) of the Act. The submission cannot be accepted, as, in the present case, there was no effacing of the appellants' mark. Besides, Section 29(2) would not apply as there is no likelihood of confusion.

**165.** But for these differences, there is no substantial distinction, on facts or in law, in the issue and controversy in the above batch of appeals and in the present appeal.

## L. Conclusion

**166.** For the reasons already set out earlier in this judgment, therefore, this appeal must also fail, and is accordingly dismissed.

**167.** There shall be no orders as to costs.

**168.** Needless to say, as these appeals are directed against orders passed by the learned Single Judge under Order XXXIX of the CPC, observations and findings contained in this judgment shall not inhibit the view which the learned Commercial Court may choose to take on the merits of the disputes between the parties, while adjudicating the substantive suits.

A closing remark

**169.** We believe that commendation should be granted where it is due. We, therefore, record our appreciation for the manner in which Ms. Rashi Bansal, whom we have had the pleasure of hearing in detail for the first time, argued her matter, with clinical precision and without a word out of place. She more than held her own against seasoned stalwarts like Mr. Anand and Ms. Majumder who appeared opposite her. We predict a bright future for her, and wish her well.

**C. HARI SHANKAR, J.**

**OM PRAKASH SHUKLA, J.**

**MARCH 09, 2026***/aky/yg*