



IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
INTERIM APPLICATION (L) NO.25032 OF 2021
IN
COMMERCIAL IP SUIT NO.160 OF 2022

PhonePe Private Limited	...	Applicant
In the matter between		
PhonePe Private Limited	...	Plaintiff
Vs.		
Resilient Innovations Private Limited	...	Defendant

Mr. Ravi Kadam, Senior Advocate a/w. Mr. Venkatesh Dhond, Senior Advocate, Mr. Rohan Kadam, Mr. Thomas George, Ms. Tanvi Sinha, Mr. Navankur Pathak, Ms. Neeti Nihal i/b. Saikrishna & Associates for Applicant / Plaintiff.

Mr. Sharan Jagtiani, Senior Advocate a/w. Mr. Nishad Kulkarni, Mr. Mohit Goel, Mr. Siddhant Goel, Mr. Aasif Navodia, Ms. Khushboo Jhunjhunwala, Mr. Abhishek Kotnala, Mr. Aditya Goel and Mr. Deepankar Mishra i/b. Khaitan & Co. for Respondent / Defendant.

CORAM : **MANISH PITALE, J.**
Reserved on : 18th JANUARY, 2023
Pronounced on : 06th APRIL, 2023

ORDER :

. This is not the first occasion on which the rival parties have locked horns against each other before a court of law. The applicant / petitioner herein, relying upon its registered trademark 'PhonePe' and its variants, initiated a suit before the Delhi High Court, alleging that the defendant had infringed upon its registered trademarks by using the mark 'BharatPe'. The application for interim reliefs filed therein was dismissed, which was later confirmed by the Division Bench of the Delhi High Court, as result of withdrawal of appeal and the suit is pending.

2. Even before this Court, the plaintiff filed an earlier suit, bearing Commercial IP Suit (L) No.24136 of 2021, against the defendant for

having used allegedly infringing trademark 'postpe'. The said suit was withdrawn on 22.10.2021, with conditional liberty granted by this Court. It was specifically recorded that the contentions of the defendant were kept open and that the defendant could also rely upon the plaint in the said suit, in order to oppose any fresh suit or interim application that may be filed by the plaintiff herein. The defendant raised a challenge before the Division Bench of this Court, which failed and a petition filed there against before the Supreme Court was also dismissed.

3. It is in this backdrop that the plaintiff filed the present suit and application for interim reliefs. The plaintiff adopted the trademark 'PhonePe' in the year 2014. It applied for registration of 'PhonePe' and its variants before the Registrar of Trademarks. There is no dispute about the fact that the plaintiff holds registration for the word mark 'PhonePe' and its variants including 'पे' written in Devanagari Hindi script. Such registrations date back to March 2016 and onwards. The plaintiff under the said registered trademarks provides financial services to its clients through mobile phone application, facilitating financial transactions amongst consumers and merchants on online and offline payment modes like Unified Payment Interface (UPI), QR Codes or through debit and credit cards. It is the case of the plaintiff that its services enable acceptance of payments for products and services through the PhonePe application. Due to the ease of using the said service provided by the plaintiff, soon after its launch, the PhonePe app of the plaintiff became immensely popular and by the time the suit was filed, there were more than 350 million registered users of the PhonePe app with a large market share.

4. It is also stated that the UPI transactions processed through PhonePe increased to about 975.53 million in February, 2021, thereby indicating the immense goodwill earned by the PhonePe app of the

plaintiff over a short period of time. The plaintiff placed on record the turnover figures starting from the year 2015, indicating that from 19.13 lakhs in the year 2015-2016, it increased to as much as 37,176 lakhs in the year 2019-20. It was also brought to the notice of this Court that the plaintiff spent about Rs.1,01,664 lakhs towards advertisement expenses. The plaintiff also entered into partnerships and tie-ups with various brands in the business of e-commerce like Flipkart, Myntra, Swiggy, Zomato and others. The off-line merchant partners of the plaintiff are stated to be Vishal Mega Mart, Spencer's Star India Bazar, Croma, KFC and others.

5. In order to emphasize that the aforesaid registered trademarks of the plaintiff have been popular in the public domain, it is specifically stated that the plaintiff sponsored IPL 2019 and World Cup 2019, along with sponsorship for IPL 2021. It is also stated that the plaintiff with its registered trademark 'PhonePe' has a large scale presence in the social media platforms including Twitter, Facebook, Instagram, Youtube, LinkedIn and others. The plaintiff also has its own website www.phonepe.com and a blog www.blog.phonepe.com. The plaintiff has also given details of the awards given to it from the year 2018 onwards. On this basis, the plaintiff claims proprietary rights as regards its registered trademark 'PhonePe' and its variants, as also immense goodwill associated with the said trademarks.

6. The first occasion when the plaintiff instituted proceedings against the defendant was in the year 2019, when it filed suit bearing CS (COMM) 292 of 2019, before the Delhi High Court with an application for grant of interim reliefs, alleging that by using the trademark 'BharatPe', the defendant had infringed upon the registered trademark 'PhonePe' of the plaintiff. It is significant that before instituting the aforementioned suit, in August, 2018, the plaintiff had issued a cease

and desist notice, calling upon the defendant to stop using trademark 'BharatPe', with 'पे' written in Devanagari Hindi script. In reply, the defendant agreed to stop using 'BharatPe' with 'Pe' in Devanagari and gave up use of the same. Thereafter, the defendant started using the mark 'BharatPe' for its services. In the suit filed before the Delhi High Court, the plaintiff pressed for grant of interim reliefs in its application by alleging that the mark 'BharatPe' was deceptively similar to the registered trademark 'PhonePe' of the plaintiff. It is significant that in the said proceeding, the plaintiff claimed that 'pe' was a misspelling of 'pay', which indicated the fact that 'pe' was used in conjunction with 'phone' as a uniquely coined word in the registered trademark of the plaintiff. The defendant opposed the application for grant of interim reliefs filed before the Delhi High Court and by a detailed judgement and order dated 15.04.2021, the plaintiff's application was dismissed. As noted hereinabove, the appeal filed before the Division Bench was withdrawn and the suit is still pending before the Delhi High Court.

7. It is the case of the plaintiff that in the end of August, 2021, it came to know about the plan of the defendant to launch payment services through mobile application under the trademark 'postpe'. Upon enquiries, the plaintiff came to know that the defendant had applied for registration of its mark 'postpe' on proposed to be used basis in April, 2021. The plaintiff immediately filed opposition proceedings in all such applications filed by the defendant before the Registrar of Trademarks for registration of the trademark 'PostPe, and 'postpe' in various classes.

8. Thereafter, on 20.10.2021, the plaintiff filed the aforementioned Commercial IP Suit (L) No.24136 of 2021, before this Court. This Court considered the suit along with the application for interim reliefs on 22.10.2021 and recorded in its order that, *prima facie* it appeared that the plaintiff was trying to claim some sort of exclusivity or

distinctiveness in part of its mark i.e. 'pe'. This Court was not impressed with the pleadings on record and when certain observations were made in the order passed on 22.10.2021, the learned senior counsel appearing for the plaintiff, on instructions, sought permission to withdraw the suit and the interim application, with liberty to file a fresh suit, restricting its claim to the mark 'PhonePe', taken as a whole.

9. As noted hereinabove, conditional liberty was granted. It is an admitted position that the said order granting permission to withdraw the suit with conditional liberty was upheld upto the Supreme Court. Thereafter, the present suit has been filed along with the application for interim reliefs. The plaintiff has emphasized that the nature of services, the target customers and the classes in which its trademark 'PhonePe' and its variants are registered, clearly show that by using the impugned mark 'postpe', the defendant has infringed upon the rights of the plaintiff. It is specifically pleaded that after the application for interim reliefs filed before the Delhi High Court was dismissed, the defendant was emboldened to further come closer and closer to the registered trademark 'PhonePe' of the plaintiff. In the plaint, the plaintiff has specifically pleaded that 'pe' has become synonymous with the business of the plaintiff.

10. It is claimed that 'PhonePe' is a distinctive and coined trademark of the plaintiff. It is emphasized that 'पे', when used as a colloquial term in Hindi, means 'on' and that is what signifies its use in the registered trademark of the plaintiff, for the reason that the services provided by the plaintiff are 'on' the mobile phone through an app. It is significant that the pleadings pertaining to the use of 'pe' in the registered trademark 'PhonePe' on behalf of the plaintiff in the suit filed before the Delhi High Court and even before this Court in the earlier suit, were different.

11. The pleadings in the present application went upto sur-rejoinder affidavit, and throughout, the plaintiff claims that it has indeed made out a strong *prima facie* case in its favour for grant of interim reliefs as prayed in the application, and that, in the absence of such interim reliefs, the plaintiff would indeed suffer grave and irreparable loss. It was contended that due to the use of the infringing trademark 'postpe' on the part of the defendant, the business of the plaintiff had indeed suffered.

12. The defendant filed its reply affidavit to the application as well as its written statement in the suit. The defendant has heavily relied upon earlier proceedings between the parties and it is submitted that the plaintiff has taken contradictory and mutually destructive stands in such proceedings and that, on this ground alone, the application deserves to be rejected. It is submitted that the Delhi High Court has already held in its order, while dismissing the interim application of the plaintiff, that it cannot claim exclusivity on part of its trademark 'pe' and the question as to whether 'pe' has become synonymous with the business of the plaintiff, is a matter for trial. It is submitted that the said findings rendered by the Delhi High Court are correct in the facts and circumstances of the case. It is submitted that these findings come in the way of the plaintiff even in the present proceeding.

13. The defendant has heavily relied upon the aforementioned earlier order dated 22.10.2021, passed by this Court while granting conditional liberty to the plaintiff for withdrawing its earlier suit. It is submitted that in the face of the pleadings in the said suit, the plaintiff is not entitled to take a different stand for pressing its prayers for grant of interim reliefs. The defendant has relied upon material obtained from the office of the Registrar of Trademarks to claim that 'pe' was repeatedly used by

various entities for their trademarks and further that the stand taken by the plaintiff while pressing its application for grant of registration for the trademark 'PhonePe' would also show that it cannot lie in the mouth of the plaintiff that the defendant by using the trademark 'postpe' had infringed upon the registered trademark of the plaintiff.

14. It was emphasized that the defendant had itself garnered major share in the market in respect of the services provided to the customers. It was emphasized that the nature of services provided by the defendant is distinct from the services provided by the plaintiff. It is submitted that 'postpe' is coined from the concept of postponed payment. It is stated that 'postpe' itself is a uniquely coined expression, indicating that the customers can buy now and pay later. It is further submitted that the defendant undertakes detailed background scrutiny of those who apply for use of its services and only when the credit history is found to be acceptable that, the customers can use the service through the mobile application of the defendant. It is submitted that this service is distinct from the simple payment service through UPI and other modes undertaken by the plaintiff under its registered trademark 'PhonePe'. On the basis of such pleadings, the defendant has opposed the grant of interim reliefs.

15. Mr. Ravi Kadam, learned senior counsel appearing for the plaintiff, submitted as follows: -

- a. In the present suit and the application for interim reliefs, it is clearly pleaded that the plaintiff claims infringement of its registered trademark 'PhonePe' taken as a whole, when compared with the trademark of the defendant 'postpe'.
- b. There is phonetic and structural similarity between the two marks and therefore, a case for grant of interim reliefs is

made out.

- c. The emphasis placed by the defendant on earlier legal proceedings is of no consequence, for the reason that this Court while considering the question of grant of interim reliefs would peruse and appreciate the pleadings of the rival parties in the present proceedings.
- d. In the present suit and the application for interim reliefs, the plaintiff is emphasizing upon the registered trademark 'PhonePe' taken as a whole and it is clarified that 'पे' is used in the sense of what it would mean in colloquial Hindi language i.e. 'on', signifying that the service made available by the plaintiff can be found on a mobile phone and hence 'PhonePe'.
- e. On the aspect of comparing rival trademarks, the learned senior counsel specifically invoked the *Pianotist* test approved by the Supreme Court in the case of *Amritdhara Pharmacy Vs. Satya Deo Gupta, (1963) 2 SCR 484* and the law laid down by the Division Bench of this Court in the case of *Hiralal Parbhudas Vs. Ganesh Trading Company and others, AIR 1984 Bom. 218*. By applying the law laid down in the said judgements, the learned senior counsel compared the two marks, emphasizing on the alleged phonetic and structural similarity. He claimed that both the parties were providing financial services and that the target customers were the same. It was submitted that both were providing mass market services for the general public. In this regard, reliance was placed on judgement of this Court in the case of *Gorbatschow Wodka KG Vs. John Distilleries Limited, 2011 (4) Mh.L.J. 842*.

- f. Reliance was also placed on the judgement in the case of *Ranbaxy Laboratories Vs. Universal Twin Labs*, **2008 SCC OnLine Bom. 99**, to contend that minute differences were to be ignored and that microscopic examination of marks was impermissible.
- g. The material pertaining to the sales turnover and other such aspects were emphasized to claim that immense goodwill was created in favour of the plaintiff. This was argued in the context of the action of passing-off. The law laid down by the Supreme Court in the case of *Ruston & Hornsby Ltd. vs The Zamindara Engineering Co.*, **(1969) 2 SCC 727**, was invoked, further contending that the plaintiff need not prove *mala fide* or fraudulent intention on the part of the defendant and that even an innocent misrepresentation was covered under the said action of passing-off.
- h. By contending that there was every likelihood of confusion between the two marks and the admitted fact that the plaintiff had used its trademark 'PhonePe' prior in point of time, the plaintiff claimed that this was sufficient at the interlocutory stage for grant of interim reliefs without proof of any actual loss. Reliance was placed on the judgement of the Supreme Court in the case of *Satyam Infoway Vs. Siffynet Solutions*, **(2004) 4 SCC 145**.
- i. It was reiterated that due to the dismissal of the application for interim reliefs by the Delhi High Court in the context of the rival mark 'BharatPe' of the defendant, it was now emboldened to come even closer to the registered trademark 'PhonePe' of the plaintiff. It was submitted that the aforesaid mischief on the part of the defendant ought to be recognized

by this Court while granting interim reliefs as prayed.

- j. The defences raised on behalf of the defendant are unsustainable for the reason that the earlier legal proceedings between the parties do not justify invoking the principles of *res sub judice* or *res judicata* on the part of the defendant.
- k. The allegation of forum shopping was also misplaced, for the reason that the plaintiff had clearly disclosed the earlier legal proceedings and that the distinctions were highlighted on behalf of the plaintiff.
- l. Detailed reference was made to the pleadings on record to claim that the defendant was unnecessarily trying to allege *mala fide* against the plaintiff, only with the intention of avoiding a comparison of the rival trademarks, taken as a whole; and
- m. The emphasis placed on the stand taken by the plaintiff at the time when it had applied for registration of its trademark 'PhonePe' was wholly misplaced, for the reason that, admittedly, the plaintiff has registration for its trademark and its variants from March, 2016 onwards. As per the provisions of the Trademarks Act, 1999, the plaintiff enjoys proprietary rights as a consequence of grant of registration, which ought to be taken into consideration by this Court while deciding the present application.

On this basis, it was submitted that the application deserved to be allowed.

16. On the other hand, Mr. Sharan Jagtiani, learned senior counsel

appearing for the defendant submitted as follows: -

- a. This Court ought to take into consideration previous litigation for the reason that the present suit was not filed on a clean slate. It was submitted that the shifting of stands on the part of the plaintiff can be appreciated only after looking at the previous legal proceedings and on this ground itself, the present application ought not to be entertained by this Court. Much emphasis was placed on the judgement and order passed by the Delhi High Court, while rejecting the application for interim reliefs filed on behalf of the plaintiff in the context of use of the trademark 'BharatPe' by the defendant. It was submitted that the observations made by this Court in its order dated 22.10.2021, in the earlier suit filed for the same cause of action, also come in the way of the plaintiff in claiming interim reliefs in the present proceeding.
- b. In the facts and circumstances of the present case, the principles of *res sub judice* and *res judicata* did arise, which this Court must take into consideration by perusing the pleadings in the earlier legal proceedings, as also the pleadings in the present case.
- c. Much emphasis was placed on contradictory and mutually destructive pleadings, indicating that by filing the present suit and the application for interim reliefs, the plaintiff had abused the process of law and indulged in forum shopping, as a result of which, the plaintiff did not deserve interim reliefs as prayed.
- d. The plaintiff had suppressed its own stand before the Registrar of Trademarks when it applied for registration of

the mark 'PhonePe'. In the examination report, the Registrar had invoked Section 11 of the said Act and observed that there were earlier trademarks such as '*Phone Pe Deal*', '*Phone Pe Store*', '*Phone Pe Crore*' and other marks using 'pe'. While responding to the examination report, the plaintiff had claimed that its mark 'PhonePe', taken as a whole, was distinguishable even when compared to such marks. If that be so, there was no question of similarity, leave alone, deceptive similarity between the two marks 'PhonePe' and 'postpe'.

- e. By emphasizing upon the aforementioned aspect, the principle of *prosecution history estoppel* was invoked and it was submitted that the plaintiff ought not to be granted interim reliefs in the present case. Reliance was placed on the judgments in the following cases: -
 - i. *Unichem Laboratories Limited Vs. IPCA Laboratories and others*, **2011 (45) PTC 488 (Bom)**; and
 - ii. *S. K. Sachdeva and another Vs. Shri Educare Limited*, **2016 (65) PTC 614 (Del)**.
- f. The comparison of the two marks, even taken as a whole, does not *prima facie* show any similarity or deceptive similarity. The principles laid down by the Supreme Court and various Courts in this regard indicated that upon application of the same, the plaintiff failed to make out a *prima facie* case in its favour. The defendant relied upon judgements of the Supreme Court in the case of *F. Hoffmann-La Roche Co. Ltd. Vs. Geoffrey Manner Co. (P) Ltd.*, **(1969) 2 SCC 716**, *J. R. Kapoor Vs. Micronix India*, **1994 Supp (3) SCC 215** and other judgements.

- g. It was emphasized that a comparison between 'PhonePe' and 'postpe' neither demonstrated any phonetic nor any structural similarity.
- h. The trademark of the plaintiff 'PhonePe' does not have any distinctiveness for the reason that the plaintiff obviously cannot claim any exclusivity in using 'pe' and that the remaining part of the trademark i.e. the word 'phone' is a dictionary word, thereby indicating that the plaintiff cannot claim any distinctiveness in its mark 'PhonePe'; and
- i. The plaintiff failed to establish that its mark 'PhonePe' has acquired any secondary meaning and that such distinctiveness could only be proved during the course of trial.

On this basis, it was submitted that the application deserved to be dismissed.

17. Having heard the elaborate submissions made on behalf of the rival parties, this Court is of the opinion that two major aspects viz., the effect of the earlier legal proceedings and *prosecution history estoppel* need to be dealt with first.

18. There is no serious dispute about the fact that the plaintiff did initiate proceedings against the defendant before the Delhi High Court in respect of the trademark 'BharatPe' of the defendant. The pleadings on record in the said proceeding do show that the plaintiff asserted that 'pe' indicated the action of payment and that it was as if 'pay' was misspelt as 'pe'. It was specifically claimed before the Delhi High Court in the said proceeding that 'pe' used as a suffix to the word 'phone' had acquired distinctiveness and a secondary meaning, indicating that the customers

invariably associated 'pe' with the services provided by the plaintiff. Upon a detailed analysis of the said contention, the Delhi High Court concluded that such an assertion on the part of the plaintiff would essentially be a matter for trial. This Court agrees with the said finding of the Delhi High Court. This is because, although such a finding is given in the context of the trademark 'BharatPe' used by the defendant, the Delhi High Court considered the contentions raised on behalf of the plaintiff in the context of its registered trademark 'PhonePe'.

19. It is significant that the Delhi High Court in the aforesaid order passed on 15.04.2021 in CS (COMM) 292 of 2019, also considered in detail, the question as to whether the plaintiff could claim exclusivity only in respect of 'pe', which forms part of its registered trademark 'PhonePe'. By applying Section 17 of the said Act and the law laid down in that context, it was found that if the said contention of the plaintiff was to be accepted at the interlocutory stage, it would amount to granting exclusivity to the plaintiff in respect of part of its trademark, which is impermissible under Section 17 of the said Act. There can be no quarrel with the said proposition and the finding rendered by the Delhi High Court in respect of the very same trademark of the plaintiff i.e. 'PhonePe'.

20. It is perhaps for this reason that when the defendant started using the trademark 'postpe' and the plaintiff initiated the aforementioned earlier suit i.e. Commercial Suit (L) No.24136 of 2021, this Court in its order dated 22.10.2021, recorded that the plaintiff could not be allowed to plead exclusivity or distinctiveness in part of its mark 'pe'. In the order dated 22.10.2021, this Court recorded that in paragraphs after paragraphs, the plaintiff had pleaded exclusivity, only in a part of its trademark i.e. 'pe' and that, only in one line, the plaintiff had claimed

that the mark should be taken as a whole. Having noted the said pleadings, this Court disagreed with the contentions of the plaintiff and observed as follows: -

“6. To put it differently: the Plaintiff has no registration of the word mark PE per se. It has a label or device mark with the Devanagari word PE. It claims that 'Phone' is not unique or distinctive, and that the word PE is distinctive, and is a central, leading and memorable feature. It then claims that the Defendants' use of PE is an infringement. But if the law is that the 'mark must be taken as a whole', then one must look at **PHONEPE** and set it against **POSTPE**. Then one would test for visual, structural and phonetic similarity. But except for one line in one paragraph, the plaint only draws a comparison between the rival uses of PE, clearly claiming exclusivity over that expression disconnected from the 'mark taken as a whole'. If the Plaintiff has no exclusivity over the mark PE, I do not see how it can claim this exclusivity indirectly in paragraph after paragraph of the Plaint. It is one thing to say that the Defendants' mark, taken as a whole is close to the Plaintiff's mark, also taken as a whole. It is quite another to take an element of each, which cannot possibly be the subject of exclusivity, and then claim injunctions on that basis.”

21. It is an admitted position that at the said stage, the plaintiff withdrew the suit while seeking liberty to institute a fresh suit, restricting its claim to the mark 'PhonePe' taken as a whole. This Court did grant liberty and, in the order, dated 22.10.2021, observed as follows: -

“7. At this stage, after this part of the order is dictated in open court, Dr Saraf, on instructions seeks leave to withdraw the Suit and the IA with liberty to file a fresh Suit restricting the claim to the mark **PHONEPE** taken as a whole. Whether or not to press the Suit is the Plaintiff's decision. The Suit and the IA are allowed to be withdrawn.

8. As to the liberty, I will grant that liberty conditionally, i.e., not only keeping all contentions open on behalf of the Defendants but also giving the Defendants liberty to rely on the present plaint and this order in opposition to any fresh suit or IA inter alia to contend that the Plaintiff has taken different stands at different time and in different courts.”

22. This Court is of the opinion that the defendant is justified in indicating that the said earlier two legal proceedings between the parties are relevant and that the effect of the same can be taken into consideration by this Court to examine as to whether the plaintiff has indeed been shifting its stands and as to what effect the same can have on grant or refusal of discretionary relief at interlocutory stage. The plaintiff is not justified in proceeding on the basis that the present suit and the application for interim reliefs ought to be considered without even looking at the earlier legal proceedings and the orders passed therein.

23. Taking into consideration the specific stand of the plaintiff in the suit filed before the Delhi High Court, which is pending, as also the earlier suit filed before this Court, which was withdrawn, it is found that the plaintiff has been shifting its stands. In the suit filed before the Delhi High Court, the plaintiff claimed exclusivity in 'pe', which forms part of the registered trademark 'PhonePe' and also claimed that the said suffix 'pe' had acquired distinctiveness and a secondary meaning even to the extent that the consuming public invariably associated 'pe' suffix only to the services provided by the plaintiff. It is for this reason that the plaintiff had raised serious objection to the use of the trademark 'BharatPe' of the defendant. The said stand of the plaintiff was rejected while denying interim reliefs, with an observation that, at the most, the said aspect could be a matter for trial. This Court is in complete agreement with the same.

24. Even in the earlier suit filed before this Court, concerning the trademark 'PhonePe', which is also the subject matter of the present suit, the plaintiff again emphasized on exclusivity and distinctiveness of the part 'pe' of its registered trademark 'PhonePe'. When the plaintiff was

faced with the prospect of its aforesaid stand being rejected, the suit was withdrawn to file the present suit. The specific position taken in the pleadings in the earlier proceedings, when compared to the one now sought to be taken before this Court, clearly indicates that the plaintiff appears to be shifting its stands, in order to secure interim reliefs. Such contrary pleas do indicate that the plaintiff has dis-entitled itself for grant of discretionary reliefs under Order XXXIX, Rules 1 and 2 of the Code of Civil Procedure, 1908 (CPC).

25. The said aspect of the matter against the plaintiff is accentuated by the interpretation given by the plaintiff itself to the part 'pe' in its registered trademark 'PhonePe'. A perusal of the pleadings shows that in the suit filed before the Delhi High Court, while analyzing its own registered trademark 'PhonePe', the plaintiff specifically claimed that 'pe' was used instead of the word 'pay' signifying payment and that 'pay' was misspelt as 'pe' in order to indicate that 'PhonePe' was a unique and coined word of the plaintiff. This stand is recorded in the order of the Delhi High Court referred to hereinabove. In fact, the Delhi High Court emphatically records that according to the plaintiff, 'pe' connotes the expression and meaning 'pay'.

26. Contrary to the said stand taken by the plaintiff in its suit filed before the Delhi High Court, in the present suit before this Court, the plaintiff has explained the part 'pe' of its registered trademark 'PhonePe' as follows: -

“7. With the above context, Plaintiff’s founders conceptualised a mobile application (“App”) for providing online and offline payment services and founded PhonePe. They coined the innovative and fanciful word ‘PhonePe’ as the name for the App. The Plaintiff’s mark ‘PhonePe’ is inherently distinctive. The word ‘PhonePe’ consists of two words - the innovative and fanciful word ‘Pe’ / ‘pe’ which when used in

conjunction with 'Phone' (a dictionary word) forms a distinctive and coined trade mark 'PhonePe'. The word "Pe" is not a dictionary word. In common parlance, "Pe" will be pronounced as the English letter "P" or "p". 'पे' or "Pe" is colloquial term for the Hindi word 'पे' which means "on". Plaintiff intended to convey that one can do it on the phone i.e., the medium. In other words, PhonePe writes it as "Pe", thereby evoking the Hindi connotation of the term, making "PhonePe" sound as "on the phone", which is apt as PhonePe is an app that operates through mobile phones. The mark 'PhonePe' has no dictionary meaning and is, therefore, inherently distinctive and capable of distinguishing Plaintiff's App and payment services from other providers. Plaintiff also conceptualised the PhonePe Marks to promote and advertise the 'PhonePe' App."

27. This Court is of the opinion that by taking such completely contrary stands in respect of its own registered trademark 'PhonePe' and its analysis, the plaintiff has dis-entitled itself for grant of interim reliefs. This is particularly for the reason that the defendant, in its defence pertaining to its trademark 'postpe', has specifically indicated that 'postpe' is a short form of 'postponed payment'. It appears that the endeavour of the plaintiff is to claim that, 'pe' may connote 'payment' but, in its registered trademark, it refers to the colloquial Hindi term 'on', thereby further alleging that the defendant by using 'pe' has sought to come as close as possible to the registered trademark of the plaintiff. The clear contradiction in the stands taken by the plaintiff in respect of its own registered trademark in different legal proceedings, shows that it has tried to obtain interim reliefs by shifting its stands, which appear to be mutually inconsistent.

28. In this regard, the aspect of *prosecution history estoppel* assumes significance. The plaintiff is not justified in contending that once it has obtained registration for its trademark, the stand taken on its behalf in proceedings leading upto grant of such registration cannot haunt the plaintiff in subsequent legal proceedings. This Court in the case of

Unichem Laboratories Limited Vs. IPCA Laboratories and others

(*supra*) held as follows: -

“28. On the other hand, Mr. Dwarkadas, learned Senior Counsel appearing on behalf of the Defendant No. 2, submits that the Plaintiffs have not approached this Court with clean hands. They have suppressed from this Court the fact that the Application No. 1077469 made by the Plaintiffs for registration of the word mark "LORAM" and the Application No. 1192320 filed by the Plaintiffs for registration of the label mark "LORAM" have been opposed by four companies. They are opposing the registration of the word and label marks. Further Mr. Dwarkadas has relied upon the compilation and more particularly page Nos. 37 to 47 thereof to urge that in the opposition that is filed by the Plaintiffs to the application made by M/s Haryana Formulations Pvt. Ltd., they took a stand that the word mark "LORAM" is common to the trade and there are several entities and manufacturers using and adopting identical mark. Once the Plaintiffs have taken such stand in the opposition proceedings and they have suppressed it from this Court in the present case, then, all the more their conduct can be safely termed as dishonest and blameworthy. This itself disentitles them from claiming any discretionary and equitable reliefs. In any event, suppression of stand taken by the Plaintiffs in the opposition proceedings is deliberate. What they are urging in the present suit is directly contradictory to the stand taken by them before the Trade Marks Registry. Mr. Dwarkadas has invited my attention to paragraph No. 11 (page 5 of the plaint) and paragraph Nos. 2.3 (page 36 of the first affidavit in rejoinder). He has also highlighted the fact that on this ground alone, the injunction should be denied.”

29. In a similar situation, in the case of **S. K. Sachdeva and another Vs. Shri Educare Limited** (*supra*), the Division Bench of Delhi High Court found that discretion ought not to be exercised in favour of a person, who approaches the Court with unclean hands. That was in the backdrop of the plaintiff therein having suppressed its own stand taken before the Registrar of Trademarks during consideration of its application for registration of the trademark. The interim injunction granted by the learned Single Judge was set aside on this ground, indicating that the principle of *prosecution history estoppel* can certainly

be invoked by the Court. The relevant portion of the Delhi High Court judgement reads as follows: -

“18. We are of the view that the interim injunction is liable to be vacated in view of various factors. First of all, the respondents themselves have taken a categorical stand that the word 'SHRI RAM' is the name of a popular figure and deity in Hinduism and no one proprietor can claim exclusive rights on the mark 'SHRI RAM'. Secondly, their stand that the mark 'SHRI RAM' is common to trade and several 'SHRI RAM' formulative marks are peacefully co-existing on the register of trademark. Thirdly, the appellants have prima facie shown that there were several schools in existence using the name 'SHRI RAM' in existence even prior to the adoption of the mark by the respondents. Fourthly, the respondents are guilty of concealment and misrepresentation and, lastly, discretion should not be exercised in favour of a person who approaches the court with unclean hands.”

30. In the present case, it is an admitted position that the plaintiff did not place before this Court its own stand when the Registrar of Trademarks in the examination report had observed that there were earlier similar trademarks such as, '*Phone Pe Deal*', '*Phone Pe Store*', '*Phone Pe Crore*', 'pe', 'pay' etc. The plaintiff had taken a stand that such cited marks were not similar to its mark 'PhonePe' for the reason that the mark 'PhonePe', taken as a whole, was distinct from such marks viz. '*Phone Pe Deal*', '*Phone Pe Store*', '*Phone Pe Crore*' etc.

31. Having taken such a stand, it was a factor relevant to the controversy in the present case, for the reason that the trademark of the defendant is 'postpe'. This Court is of the opinion that by not placing its own stand taken before the Registrar of Trademarks in respect of cited marks like '*Phone Pe Deal*', '*Phone Pe Store*', '*Phone Pe Crore*', etc., the plaintiff dis-entitled itself to grant of discretionary reliefs under Order XXXIX, Rules 1 and 2 of the CPC. The test in such cases is that if the defendant is likely to suffer prejudice due to such suppression on the part

of the plaintiff, discretionary relief ought not to be granted. In the present case, this Court is of the opinion that prejudice was certainly caused to the defendant, but for the defendant itself making enquiries and bringing the material before this Court as regards the stand taken by the plaintiff in the proceedings before the Registrar of Trademarks. When the plaintiff had claimed before the Registrar of Trademarks that its mark 'PhonePe', taken as a whole, cannot be said to be the similar to marks like '*Phone Pe Deal*', '*Phone Pe Store*', '*Phone Pe Crore*' etc., it was clearly relevant for the stand taken in the present case that the mark of the defendant 'postpe', taken as a whole, can be said to be deceptively similar to the registered trademark of the plaintiff 'PhonePe', taken as a whole.

32. Hence, this Court is of the opinion that the principle of *prosecution history estoppel* is correctly invoked by the defendant in the present case. The plaintiff cannot successfully claim discretionary reliefs in the backdrop of such conduct.

33. Nonetheless, since elaborate arguments were addressed before this Court on the comparison of rival marks taken as a whole, particularly in the light of the liberty granted in the order dated 22.10.2021, passed by this Court in Commercial IP Suit (L) No.24136 of 2021, this Court has considered the submissions in that regard.

34. The law on the said aspect of the matter is now well settled. The Supreme Court in the case of **Amritdhara Pharmacy Vs. Satya Deo Gupta** (*supra*), quoted with approval, the observations made by Parker, J. in the case of *Pianotist Co Application*, 1906 23 RPC 774, which read as follows: -

“You must take the two words. You must Judge them, both

by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact you must consider all the surrounding circumstances and you must further consider what is likely to happen if each of those trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks.”

35. In the case of **Hiralal Parbhudas Vs. Ganesh Trading Company and others** (*supra*), the Division Bench of this Court while referring to judgements of the Supreme Court in the context of comparing two marks, held as follows: -

“5. What emerges from these authorities is (a) what is the main idea or salient features, (b) marks are remembered by general impressions or by some significant detail rather than by a photographic recollection of the whole, (c) overall similarity is the touchstone, (d) marks must be looked at from the view and first impression of a person of average intelligence and imperfect recollection, (e) overall structure, phonetic similarity and both visual and phonetic tests must be applied, (f) the purchaser must not be put in a state of wonderment, (g) marks must be compared as a whole, microscopic examination being impermissible, (h) the broad and salient features must be considered for which the marks must not be placed side by side to find out differences in design and (I) overall similarity is sufficient. In addition indisputably must also be taken in-to consideration the nature of the commodity, the class of purchasers, the mode of purchase and other surrounding circumstances.”

36. In the case of **F. Hoffmann-La Roche Co. Ltd. Vs. Geoffrey Manner Co. (P) Ltd.** (*supra*), while considering the two words 'DROPOVIT' and 'PROTOVIT', the Supreme Court held that the two words must be taken as a whole. Thereupon, the Supreme Court analyzed the two words in great detail and found that the part 'VIT' was, both, descriptive and common to trade. Thereafter, the Supreme Court found that if greater regard was to be paid to the uncommon elements in the two words i.e. 'DROP' and 'PROT', it was difficult to hold that one

would be mistaken or confused with the other. Applying the said principles to the facts of the present case, at this interlocutory stage, it is found that 'pe' being used to mean 'pay' in the services in which both the parties are active, is common and widely used. This Court agrees with the finding of the Delhi High Court that the claim of the plaintiff that the suffix 'pe' has acquired distinctiveness and secondary meaning to the extent that the consuming public now invariably associates the same with only the services provided by the plaintiff, is a matter for trial. Thus, when the remaining parts of the marks i.e., 'Phone' and 'post' are compared, this Court does not find a *prima facie* case made out by the plaintiff about similarity between the two. The words, 'phone' and 'post' have distinct dictionary meanings with no possibility of confusion between the two. This Court does not find phonetic similarity between the two marks, for the plaintiff to claim that a strong *prima facie* case is made out to grant interim reliefs.

37. The learned senior counsel appearing for the rival parties have referred to a plethora of judgements on this aspect of the matter, but this Court has referred to only a few, for the reason that the position of law laid down in the said judgements has been followed subsequently. In any case, the position of law has to be applied to the facts of the individual case in order to examine as to whether the applicant / plaintiff has made out a strong *prima facie* case for grant of interim reliefs. As noted hereinabove, applying the said principles, the plaintiff has not made out a *prima facie* case in its favour. The two marks taken as a whole, when compared, do not support the contention raised on behalf of the plaintiff that *prima facie*, there is phonetic and structural similarity, which would confuse the target consumer. In this regard, reliance placed on behalf of the plaintiff on the judgement in the case of **Gorbatschow Wodka KG Vs. John Distilleries Limited** (*supra*) appears to be misplaced. Since

this Court has compared the rival trademarks as a whole, the reliance placed on behalf of the plaintiff on the judgement in the case of **Ranbaxy Laboratories Vs. Universal Twin Labs** (*supra*) is also misplaced.

38. At this stage, it would be relevant to note that the defendant has been able to place on record material to show the *prima facie* distinction between the nature of services provided by the rival parties. The material indicates that although the services of the defendant are also made available through a mobile application, any and every person is not able to use the services of the defendant, till such a person is able to satisfy the standard of credit worthiness demanded by the defendant. This is because the defendant's service is about deferred payment or postponement of payment by the customer. The services provided by the plaintiff using its registered trademark 'PhonePe', also available on mobile applications, pertain to a payment gateway through UPI and other such interfaces. At this stage, this Court is unable to agree with the plaintiff that gullible or uneducated persons or even educated and aware customers would be confused between the services of the rival parties. Therefore, on this count also, the plaintiff has failed to make out a strong *prima facie* case in its favour for grant of interim reliefs. This Court also finds that the central idea sought to be conveyed by the two rival trademarks taken as a whole is distinct, particularly when the rival pleadings are appreciated.

39. It is settled law that when the applicant / plaintiff has failed to make out a *prima facie* case in its favour, the aspects of grave and irreparable loss in the absence of interim reliefs and balance of convenience pale into insignificance. Nonetheless, this Court has considered the rival material placed on record regarding goodwill

generated in respect of the respective trademarks. It is found that the defendant has also earned substantial goodwill and it has openly used its mark 'postpe' since the time it was introduced in respect of the financial services provided by the defendant. The plaintiff has placed on record material to indicate the goodwill generated in its favour with passage of time and also the fact that it started use of its trademark prior in point of time.

40. But, that in itself cannot take the case of the plaintiff any further for grant of interim relief in the context of the action of passing off, as it has failed to make out a *prima facie* case that the defendant has copied the central, essential or fundamental features of the registered trademark of the plaintiff. Hence, reliance placed on the judgement in the case of **Satyam Infoway Vs. Siffynet Solutions** (*supra*) on behalf of the plaintiff can be of no assistance. There can be no quarrel with the proposition that the intention of the defendant in using the impugned mark is irrelevant. But, when this Court has found that the plaintiff failed to make out a *prima facie* case in the context of infringement as well as passing off, the said proposition cannot apply to the facts of the present case. Hence, reliance placed on behalf of the plaintiff on the judgement in the case of **Ruston & Hornsby Ltd. vs The Zamindara Engineering Co.** (*supra*), is also misplaced. The plaintiff has, therefore, failed to demonstrate a *prima facie* case in respect of, both, infringement and passing-off in the context of its trademark 'PhonePe'.

41. In view of the above, the application is dismissed.

(MANISH PITALE, J.)

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