



CASE OVERVIEW: All Trademark Disputes Do Not Fall Outside the Scope of Arbitration

Case Title: K. Mangayarkarasi & Anr. v. N.J.Sundaresan & Anr.

Court: The Supreme Court of India

Date of Judgment: May 09, 2025 [\[Read Judgment Here\]](#)

Background: The Origin of the Dispute

The dispute arose from a conflict over the use of the trademark “SRI ANGANNAN BIRIYANI HOTEL” or “ABM SRI ANGANNA HOTEL” which was originally associated with the family of the petitioner, K. Mangayarkarasi. The petitioners (original plaintiffs) instituted a suit before the Commercial Court, Coimbatore seeking a permanent injunction against the respondents’ (original defendants) use of the trademark or any similar expression that contains the word ANGANNAN and damages for loss that the petitioners have incurred due to the use of the trademark or any mark consisting of the mark ANGANNAN by the respondents.

The respondents filed the application under Section 8 of the Arbitration and Conciliation Act, 1996 to refer the dispute to arbitration due to the existence of two Trade Mark Assignment Deeds (dated 2017 and 2019), which included arbitration clauses.

Basis the arbitration clauses in the Assignment Deeds, the Commercial Court vide its order dated February 6, 2024, allowed the application filed by the respondents and referred the parties to arbitration.

The petitioners challenged the order of the Commercial Court before the Madras High Court. The High Court held that the dispute was arbitrable, and since the parties had a contract of assignment of trademarks ergo Assignment Deeds which contained arbitration clause, the matter was rightly referred to the arbitration by the Commercial Court. Thus, the petitioners filed a Special Leave Petition in the Honorable Supreme Court.

The Petitioners’ Position:

K. Mangayarkarasi & Anr. contented:

- Trademark Ownership Claim: The petitioners claimed ownership of the trademarks “SRI ANGANNAN BIRIYANI HOTEL” and “ABM SRI ANGANNA HOTEL” asserting exclusive rights through family legacy.
- Challenge to Assignment Deeds: The petitioners disputed the validity of both the Assignment Deeds alleging that they had signed blank stamp papers, which were later fabricated by the respondents and the Assignment Deeds were forged and signatures were misused.
- Claim of Non- Arbitrability: The petitioners argued that trademark disputes are not arbitrable, being matter in Rem (right available against the whole world) and not in Personam (right available against a particular person).



- Allegation of Fraud: The petitioners argued that the fraudulent conduct in obtaining the Assignment Deeds made the arbitration clause invalid or unenforceable.

The Respondents' Argument:

N.J. Sundaresan & Anr. Argued:

- Existence of valid Assignment Deeds: The respondents argued that the Assignment Deeds were validly executed, notarized, and signed by the petitioners. The Assignment Deeds contained a binding arbitration clause.
- Dispute is contractual, not statutory: The respondents argued that the core issue was not with respect to statutory rights under the Trade Marks Act, 1999 but about the contractual rights arising from the arbitration clause included in the Assignment Deeds.
- Arbitrability of IP Disputes: The respondents cited the case of Vidya Drolia v. Durga Trading Corporation reported in (2021) 2 SCC 1, where the court held that the assumption that all matters relating to trademarks are outside the scope of arbitration is plainly erroneous.
- Mandatory Reference to Arbitration: The respondents asserted that since there was a valid arbitration clause in the Assignment Deeds, the court was statutorily obligated to refer the matter to arbitration under Section 8 of The Arbitration and Conciliation Act, 1996.
- Rejection of Fraud Allegation: The respondents denied any forgery or fabrication as the petitioners admitted their signatures and the Assignment Deeds were duly attested.

The Court's Reasoning: Clarity Through Evidence

The Supreme Court dismissed the Special Leave Petition and upheld the decisions of the Commercial Court and the Madras High Court, which had both referred the matter to arbitration on the following grounds:

- Arbitrability of Trademark Disputes: The SC held that the petitioners' dispute arose from contractual Assignment Deeds, not from statutory rights under The Trade Marks Act, 1999. The court cited the case of Booz Allen and Hamilton Inc. v. SBI Home Finance Ltd. [(2011) 5 SCC 532], in which it was held that Trademark disputes arising from private contracts are arbitrable as they are in personam.
- Assignment of Trademark is a private commercial contract: The assignment of a trademark is a contractual transaction, not an exercise of sovereign function. Since the rights were not being claimed under the statute but through private agreements, arbitration was applicable.
- Fraud Allegation Not a Bar to Arbitration: The Supreme Court referred the case of A. Ayyasamy v. A. Paramasivam [(2016) 10 SCC 386], in which the court held that mere allegations of fraud are not sufficient to exclude arbitration unless they permeate the contract so as to render the arbitration clause void.



Key Insights: A Broader Impact

Delivered on May 09, 2025, by Justice J.B. Pardiwala, the Supreme Court significantly strengthens the legal position on the arbitrability of intellectual property disputes, particularly when such disputes arise from contractual arrangements like trademark assignments etc. The Court clarified that the mere involvement of a trademark does not, by itself, render a dispute non-arbitrable, especially when the core issue pertains to private rights and obligations inter se the parties.

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