Interpreting India for commerce

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LEXPORT NEWSLETTER

OCTOBER 2025 | Week 2

Dear Readers,

This weekly newsletter offers you a concise analysis of important developments, notable judgments, and noteworthy regulatory amendments and developments in the corporate and financial sectors.

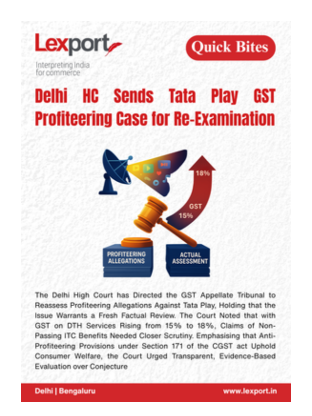
This newsletter will cover updates inter alia from **Banking Laws & FEMA**, **Corporate Laws**, **Securities Laws** and **Capital Markets**, **Competition Laws**, **Indirect Taxes**, **Customs and Foreign Trade**, **Intellectual Property Laws**, and **Arbitration Laws**.

Acknowledging the significance of these updates and the need to stay informed, this newsletter provides a concise overview of the various changes brought in by our proactive regulatory authorities and the courts.

Feedback and suggestions will be much appreciated. Please feel free to write to us at mail@lexport.in.

Regards,
Team Lexport

Indirect Tax



Delhi HC Directs GST Appellate Tribunal to Reassess Tata Play Profiteering Allegations Following GST Hike

The Delhi High Court directed the GST Appellate Tribunal to re-examine profiteering allegations against Tata Play, noting that the matter requires a factual reassessment now that the Tribunal has assumed the functions of the former National Anti-Profiteering Authority (NAPA).

A bench of Justices Prathiba M. Singh and Shail Jain observed that since GST on DTH services increased from 15% to 18%, the basis for alleging non-passing of ITC benefits was questionable. The Tribunal was told to determine whether there was any actual profiteering or if the Directorate General of Anti-Profiteering's report was "merely conjecture."

The Court reiterated that anti-profiteering provisions under Section 171 GST Act remain valid, citing Reckitt Benckiser India Pvt. Ltd. v. Union of India (2024), and emphasised their consumer-welfare intent.

Case: Tata Play Ltd. v. Union of India & Ors.
Case No.: W.P.(C) 14422/2022

Siddharth Dewalwar

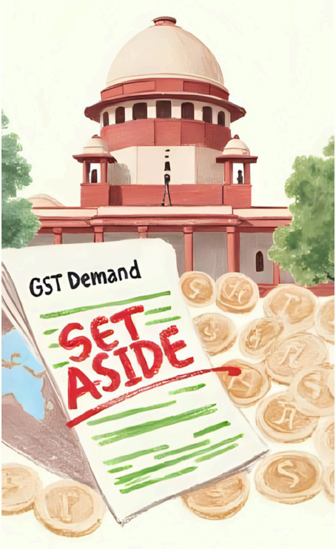
Delhi HC Rules FIRCs Need Not Match Each Export Transaction, Sets Aside ₹20.14 Crore GST Demand

The Delhi High Court ruled that Foreign Inward Remittance Certificates (FIRCs) need not align with each individual export transaction and may cover a consolidated or periodic period, provided the total foreign exchange remitted matches the claimed export benefit.

A bench of Justices Prathiba M. Singh and Shail Jain set aside a Rs. 20.14 crore GST demand raised against an Ayurvedic goods exporter, noting that the Department's insistence on transaction-wise FIRCs was impractical when overall forex realization was proven. The matter was remanded for fresh adjudication.

Case: Transformative Learning Solutions Pvt. Ltd. v. Commissioner CGST Delhi East & Anr
Citation: 2025 LiveLaw (Del) 1246
Case No.: W.P.(C) 4987/2025

Siddharth Dewalwar



Indirect Tax

Delhi HC Rules GST Rate Reduction Must Be Passed via Price Cuts, Not Extra Quantity

The Delhi High Court has ruled that manufacturers must pass on the benefit of reduced GST rates to consumers through price reduction, not by increasing product quantity.

A bench of Justices Prathiba M. Singh and Shail Jain held that raising quantity while retaining the same MRP defeats the very purpose of GST rate reduction, emphasizing that such conduct "curtails consumer choice" and amounts to deception.

The Court reaffirmed that anti-profiteering measures under Section 171 of the GST Act mandate a commensurate reduction in prices—benefits cannot be offset through schemes like extra volume or free products. Transitional pricing issues due to old MRPs cannot justify non-compliance.

Case: M/s Sharma Trading Company v. Union of India
Citation: 2025 LiveLaw (Del) 1219
Case No.: W.P.(C) 13194/2018

Siddharth Dewalwar

Delhi HC Upholds Customs' Power to Penalize Couriers for Failing to Report Suspicious Shipments

The Delhi High Court upheld the Commissioner of Customs' power to penalize courier services that fail to report suspicious international consignments.

A division bench of Justices Prathiba M. Singh and Shail Jain ruled that courier agencies must exercise due diligence and promptly report suspicious shipments to authorities. The Court held that under Regulation 13A(vii) of the Courier Imports and Exports (Electronic Declaration and Processing) Regulations, 2010, the Commissioner may pass appropriate orders even if the inquiry report exonerates the courier.

In this case, M/s Dart Air Services Pvt. Ltd. failed to detect commercial goods sent abroad disguised as gifts. The Court found this a clear lapse in vigilance and upheld the penalty imposed by Customs.

Case: M/s Dart Air Services Pvt. Ltd. v. Commissioner of Customs (Airport & General)
Citation: 2025 LiveLaw (Del) 1227
Case No.: W.P.(C) 7116/2019

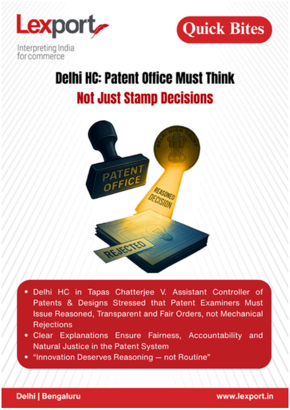
Siddharth Dewalwar

Intellectual Property Rights

Pop Mart Intensifies Legal Action Over Alleged Counterfeit Labubu Toys at 7-Eleven

Pop Mart, the Chinese toy company behind the popular Labubu character, has filed an amended lawsuit against 7-Eleven Inc. and at least 10 franchisees in California. The company alleges that these stores sold counterfeit Labubu toys, violating federal trademark, copyright, and unfair competition laws. Pop Mart claims that 7-Eleven has the "right and ability to control" its franchisees, including through franchise agreements and inventory systems, and therefore holds responsibility for the alleged infringements. In its complaint, Pop Mart provides detailed evidence, including store-by-store accounts and consumer social media posts, to support its claims. The company asserts that it holds registered federal trademark rights in the POP MART, LABUBU, and THE MONSTERS marks, as well as unregistered federal trade dress rights in the design and appearance of the Labubu products. Pop Mart is seeking monetary damages and injunctive relief. 7-Eleven has filed a motion to dismiss the lawsuit, arguing that it cannot be held liable for the actions of its franchisees, as they operate as separate legal

Swagita Pandey



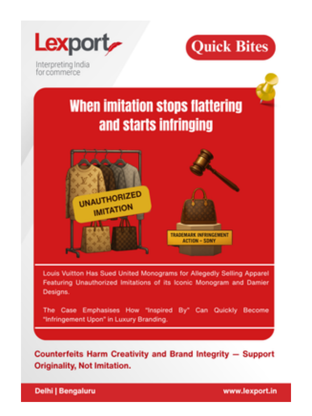
Delhi HC Emphasizes Need for Reasoned Decisions by Patent Office

The Delhi High Court has highlighted the importance of issuing reasoned and well-explained orders by the Patent Office, rather than mechanical or unexplained decisions in matters relating to patent grants and oppositions.

In the case of Tapas Chatterjee vs Assistant Controller of Patents & Designs, Court observed that while patent examiners have discretion under the Patents Act, such discretion must be exercised transparently and with adequate reasoning. The Court noted that the Act does not provide a specific test for assessing whether an invention constitutes an "obvious improvement" over prior art, which makes detailed reasoning even more essential. The Court clarified that giving clear explanations promotes fairness, transparency, and consistency in the decision-making process and enables applicants to understand how their claims are evaluated. It further stated that providing reasoned decisions enhances the overall credibility of the patent system and aligns administrative actions with the principles of natural justice.

Swagita Pandey

Intellectual Property Rights



Louis Vuitton Sues United Monograms Over "Designer Dupe" Wares

Louis Vuitton has filed a lawsuit against apparel company United Monograms, alleging unauthorized use of its trademarks on low-cost sweatshirts and accessories. The French luxury brand claims that United Monograms is manufacturing, distributing, and selling clothing bearing imitations of Louis Vuitton's distinctive monogram and Damier patterns. The complaint, lodged with the U.S. District Court for the Southern District of New York, accuses United Monograms of deliberate infringement and seeks injunctive relief, monetary damages, and disgorgement of profits. Louis Vuitton points to product descriptions such as "Monogrammed 'Designer Louis Vuitton Pattern' Big Print Crewneck Sweatshirt" and "This LV 'Check Pattern' Big Print Monogram Crewneck" as evidence of direct references to its brand. The lawsuit also highlights marketing materials that pair the accused sweatshirts with authentic Louis Vuitton handbags, potentially misleading consumers into believing there is an authorized connection.

Swagita Pandey

Delhi High Court Recognizes Plaintiff's Prior Use and Restrains Defendant from Using 'DYAL' Mark in Trademark Dispute

The Delhi High Court dismissed the defendant's plea seeking rectification of the Plaintiff's registered trademark "DYAL" for cattle feed. Justice Manmeet Pritam Singh Arora held that the plaintiff was the prior user of the mark "DYAL," registered in 1996, while the defendant's mark "DAYAL" was registered only in 2000. The Court rejected the defendant's contention that its flagship company, Dayal Fertilizers Pvt. Ltd., had used the mark since 1979, observing that such use pertained to fertilizers and not cattle feed. Relying on the ruling of _Worknest Business Centre LLP v. Worknests_, the Court ruled that prior registration, even if commercial use began later, establishes priority of rights. The application under Section 124 of the Trade Marks Act was accordingly dismissed. [Gopika Industries v. Dayal Industries Pvt. Ltd., CS(COMM) 700/2017]

Anushka Tripathi

Intellectual Property Rights

Delhi High Court Restrains Use of 'Azuga' Mark by Jharkhand-based Company, Orders Domain Suspension

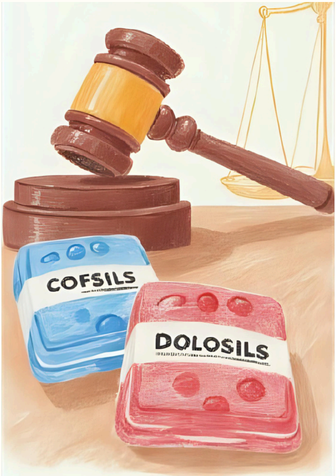
The Delhi High Court granted an ex parte ad-interim injunction in favour of Azuga Inc. and Azuga Telematics Pvt. Ltd., restraining Jharkhand-based Azuga Telematics LLC and its associates from using the trademark 'AZUGA' or any deceptively similar mark in connection with GPS fleet management services. Justice Manmeet Pritam Singh Arora noted that the defendants' adoption of the identical mark appeared mala fide, especially since one of them was a former employee of the plaintiff company. The Court also found that the defendants had copied product images and website UI assets, amounting to both trademark and copyright infringement. Consequently, the domain name azugatelematicsllc.com was ordered to be locked and suspended, and the domain registrar was directed to furnish registrant details and payment information. [Azuga Inc. & Anr. v. Azuga Telematics LLC & Ors., CS(COMM) 1044/2025]


Anushka Tripathi

Hon'ble Delhi HC Restrains Use of 'DOLOSILS' Packaging in Trademark Dispute with 'COFSILS'

The plaintiff, proprietor of the registered mark COFSILS, filed a suit against the defendant's use of DOLOSILS for lozenges and cough syrups, alleging infringement and passing off. The plaintiff highlighted its long-standing use, registrations, and distinctive trade dress, accusing the defendants of "smart copying" through a deceptively similar name, font, colour scheme, and motifs, likely to confuse consumers. While initially denying infringement, the defendants agreed to discontinue the impugned cough syrup packaging but argued that the suffix 'SILS' was descriptive of 'tonsils'. The Hon'ble Delhi High Court found prima facie similarity and granted an interim injunction restraining the defendants, their affiliates, and manufacturers from using the infringing trade dress/packaging or similar variants for medicinal products. However, the Hon'ble Court permitted the defendants to use the word mark DOLOSILS in a distinct font and styling. The matter has been referred to mediation before the Delhi High Court Mediation Centre, with the next hearing fixed for 19.11.2025. [Cipla Health Limited vs Micro Labs Limited & Ors (CS(COMM) 1017/2025)]


Ananya Singh



Intellectual Property Rights

Hon'ble Delhi HC Grants Interim Injunction Protecting EBC's Iconic 'Coat-Pocket' Constitution Edition

Eastern Book Company (EBC), publishers of the renowned "coat-pocket" edition of the Constitution of India since 2009, filed a suit against a defendant for passing off their distinctive trade dress. EBC's editions, featuring a unique black-red colour scheme, gold leafing, specific fonts, and thin bible paper, have sold over 1,04,805 copies and built strong goodwill through investments of ₹75 lakhs. The defendant published a deceptively similar pocket edition at less than half the price despite a cease-and-desist notice, imitating EBC's layout, style, and trade dress. The Hon'ble Delhi High Court found prima facie deceptive similarity likely to mislead consumers of average intelligence and imperfect recollection. Recognising EBC's goodwill and reputation in legal publishing, the Hon'ble Court restrained the defendant from manufacturing, selling, or advertising the infringing editions, directed recall of unsold stock, and ordered removal of listings from e-commerce platforms. The injunction does not apply to the defendant's regular yellow-bound editions. [Ebc Publishing (P) Ltd & Anr vs Professional Book Publishers (CS(COMM) 1035/2025)]

Ananya Singh

Hon'ble Madras HC Awards Compensation in Abandoned Software Project Dispute

The Hon'ble Madras High Court decided a copyright infringement suit concerning software and digital visualizations developed for the Amma Memorial Project. The plaintiff claimed damages and profit share after abandoning the project midway due to disputes over revenue sharing. The Court held that while the plaintiff owned copyright in the materials, no infringement occurred since the works were voluntarily shared for the joint project. However, recognizing that 70% of programming was completed and services were rendered non-gratuitously, the Court treated it as a quasi-contract and awarded ₹20 lakhs as reasonable compensation with 9% interest. The plaintiff's damages claim of ₹2.5 crores was rejected for lack of proof, as was his claim for a share in profits. Additionally, ₹5 lakhs was awarded towards costs. The suit was thus partly decreed, compensating the plaintiff for services but denying claims of infringement and profit share. [Mr. Praveen Raj Jayachandran vs M/S. Fusion VR (C.S. No. 57 of 2021)]

Ananya Singh

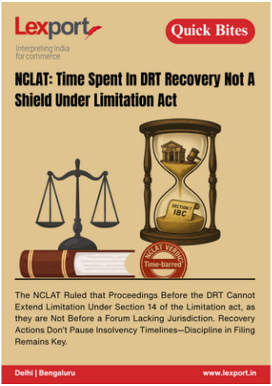
Intellectual Property Rights

Hon'ble Delhi High Court Grants 'Dynamic+' Injunction Against 106 Piracy Websites

The Hon'ble Delhi High Court heard a suit by film producers against 106 websites accused of illegally hosting, streaming, and distributing their copyrighted cinematograph films. Recognizing the "hydra-headed" nature of piracy, the Hon'ble Court issued a broad 'Dynamic+' injunction restraining these websites, their mirror/redirect/alphanumeric variations, and related domains from making the plaintiffs' works available. Domain Name Registrars were directed to lock and suspend infringing sites and provide registrant details, while Internet Service Providers were ordered to block access. The Department of Telecommunications and MEITY were also directed to notify all service providers to block the sites within 72 hours. The Hon'ble Court allowed plaintiffs to implead future mirror or derivative websites to extend protection, ensuring continuous safeguarding of their content. [Universal City Studios Productions vs Isaidub.Spot & Ors (CS(COMM) 1009/2025)]

Ananya Singh

Corporate



Akshita Agarwal

Time Spent in DRT Recovery Proceedings Not Excluded Under Section 14 of Limitation Act: NCLAT

The NCLAT has ruled that the time spent in Debt Recovery Tribunal (DRT) proceedings cannot be excluded while computing limitation under Section 14 of the Limitation Act, 1963, as such benefit applies only when prior proceedings were filed before a forum lacking jurisdiction.

A bench comprising Justice Ashok Bhushan and Technical Member Arun Baroka dismissed an appeal challenging an NCLT Kolkata order that had rejected a Section 7 IBC application filed by United Bank of India (now Punjab National Bank) as time-barred.

The Tribunal noted that while disbursement of the loan was established through the NeSL certificate, the default dated 19.09.2015 and the filing on 10.12.2019 made the case clearly beyond the 3-year limitation period. It emphasized that DRT proceedings, being recovery in nature, do not qualify for exclusion under Section 14 unless shown to be filed before a forum without jurisdiction.

The NCLAT also distinguished the Sesh Nath Singh case, observing that it involved a stay for lack of jurisdiction, unlike the present matter.

Case: United Bank of India (Now PNB) v. Concast Morena Road Projects Pvt. Ltd.

Decision Date: 7 Oct 2025

Case No.: Company Appeal (AT) (Insolvency) No. 805 of 2025

Litigation

Randhir vs. State of U.P, CRIMINAL MISC. BAIL APPLICATION NO. 8184 OF 2025

The Allahabad High Court recently reiterated that non-annexure of a Forensic Science Laboratory (FSL) report with the charge sheet cannot by itself be a ground for bail in cases under the Narcotic Drugs and Psychotropic Substances (NDPS) Act where commercial quantity of contraband is involved. The case concerned an accused, Randhir, who was apprehended in November 2024 from a truck carrying 151.6 kg of contraband, much above the threshold of commercial quantity. A charge sheet was filed in December 2023, and although the FSL report was prepared earlier, it was incorporated into the case diary at a later stage. The accused argued that the charge sheet was incomplete without the FSL report, mandatory provisions were not followed, and he was merely a cleaner with no role in trafficking. The prosecution contended that sufficient evidence existed, samples were properly drawn, and the FSL report was admissible under Section 293 CrPC and could be considered under Section 173(8) CrPC. Relying on the Supreme Court's decision in NCB v. Kashif (2024), the Court held that procedural lapses alone cannot justify bail. Noting the strict bar of Section 37 NDPS Act, it rejected the bail plea, holding the FSL report corroborative in nature.

Ananya Jain

About Us

Lexport is a full-service Indian law firm offering consulting, litigation and representation services to a range of clients.

The core competencies of our firm's practice *inter alia* are Trade Laws (Customs, GST & Foreign Trade Policy), Corporate and Commercial Laws and Intellectual Property Rights.

The firm also provides Transaction, Regulatory and Compliance Services. Our detailed profile can be seen at our website www.lexport.in.

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