

LEXPORT NEWSLETTER

MAY 2026 | 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



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Intellectual Property Rights

Hon'ble Delhi High Court Restrains Use of "STAND UP" Mark for Sexual Wellness Products

The Hon'ble Delhi High Court granted an ex-parte ad-interim injunction in favour of PSTGems Pvt. Ltd. against the unauthorised use of the mark "STAND UP" for wellness products. The plaintiff alleged that the defendants were selling nutraceutical and Ayurvedic products under an identical mark and deceptively similar trade dress, including identical font style, colour scheme, layout, and packaging elements. Upon visual comparison, the Hon'ble Court found that the rival labels closely resembled each other and were likely to confuse ordinary consumers. The Hon'ble Court observed that even the stylised depiction, descriptive boxes, and overall bottle appearance had been imitated. Rejecting the defendants' contention that "STAND UP" was generic, the Hon'ble Court held that a prima facie case of infringement and passing off was made out. Accordingly, the defendants were restrained from manufacturing, advertising, or selling products bearing the impugned mark and directed to remove infringing online listings pending disposal of the suit. [Pstgems Private Limited vs M/S Brahmastra Pharmacy & Ors (CS(COMM) 461/2026)]

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Distinctive Branding Deserves Protection



Use of identical marks, packaging, and trade dress was restrained after the Court found strong likelihood of consumer confusion and passing off.

CASE TITLE: [Pstgems Private Limited vs M/S Brahmastra Pharmacy & Ors (CS(COMM) 461/2026)]

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Ananya Singh



Intellectual Property Rights

Hon'ble Delhi High Court Records Settlement in "RELIANCE" and "JIO" Trademark Dispute

The Hon'ble Delhi High Court decreed the suit after recording a settlement in a trademark and copyright infringement dispute concerning the well-known "RELIANCE" and "JIO" marks. The dispute arose from the defendant's use of the impugned trading name "Jio Organics" and related infringing materials. Under the settlement, the defendant agreed to permanently cease use of the impugned mark, refrain from representing any association with the plaintiffs, and consented to a decree of permanent injunction. The defendant further undertook to destroy all infringing goods, packaging, promotional materials, and trade dress bearing the impugned marks within two weeks and to file a compliance affidavit thereafter. The Court observed that the settlement terms were voluntary, lawful, and fully compliant with Order XXIII Rule 3 CPC. Accordingly, the suit was decreed in terms of the settlement, with the Court directing the parties to remain bound by its terms. [Reliance Industries Limited vs Pawan Kumar Gupta & Ors (CS(COMM) 675/2025)]



Ananya Singh



Intellectual Property Rights

Delhi High Court Sets Aside Patent Rejection in Syngenta Polymorph Case, Clarifies Section 3(d) for Agrochemicals

The Delhi High Court set aside the Patent Office's refusal of Syngenta's patent application relating to a monohydrate crystalline polymorph used in agrochemical formulations, holding that the Controller had wrongly rejected the invention for lack of inventive step and under Section 3(d) of the Patents Act. Justice Tushar Rao Gedela observed that polymorphic forms are inherently unpredictable and that the Controller could not simply assume thermal stability to be an "inherent property" without citing scientific material or common general knowledge sources. The Court accepted Syngenta's data showing that the claimed polymorph demonstrated superior thermal stability over known anhydrous forms, helping avoid crystal growth and nozzle blockage in agricultural spray formulations. Importantly, the Court clarified that the "therapeutic efficacy" test laid down in *Novartis v Union of India* [(2013) 6 SCC], applies specifically to pharmaceutical products and cannot be mechanically extended to agrochemicals. The Court held that efficacy under Section 3(d) must be assessed in light of the function and purpose of the product concerned. The matter was accordingly remanded for fresh consideration.

Syngenta Participations AG v Controller of Patents & Designs, C.A.(COMM.IPD-PAT) 49/2023



Anushka Tripathi



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Different Products Need Different Standards



Delhi High Court set aside the rejection of Syngenta's agrochemical polymorph patent, holding that the Section 3(d) "therapeutic efficacy" test from *Novartis AG v. Union of India* cannot be mechanically applied beyond pharmaceuticals. It was held that inherent properties such as thermal stability cannot be presumed without scientific evidence, and remanded the matter for fresh consideration.

CASE TITLE: Syngenta Participations AG v Controller of Patents & Designs, C.A.(COMM.IPD-PAT) 49/2023

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Intellectual Property Rights



Delhi High Court Refuses Interim Injunction Against Jigra Over Use of “Doctors Without Borders” Mark

The Delhi High Court declined to grant interim relief to Médecins Sans Frontières (Doctors Without Borders) in its trademark infringement suit against Dharma Productions over references to the organization in the film Jigra. The Plaintiff argued that the film portrayed fugitives impersonating “Doctors Without Borders” personnel to illegally cross international borders, thereby tarnishing and exploiting the goodwill attached to its well known mark. The Court accepted that the mark enjoys substantial reputation in India and noted that the defendants themselves had acknowledged using the mark because of the credibility and unrestricted cross border access associated with Plaintiff’s humanitarian work. The Court also held that the use of the mark in the film amounted to use “in the course of trade” and was without due cause. However, the Court held that the Plaintiff failed to prima facie establish actual unfair advantage, dilution, or reputational harm under Section 29(4) of the Trade Marks Act. While refusing an injunction against the film, the Court directed the defendants to display an acknowledgement at the commencement of the film clarifying that use of the Plaintiff’s mark was not intended to harm or dilute the Plaintiff’s reputation or distinctive character.

Médecins Sans Frontières International v Dharma Productions Pvt Ltd & Ors., CS(COMM) 1134/2024



Ananya Singh

Litigation



M/s Trijal Construction Pvt. Ltd. Vs. Union of India and Others, Civil Writ Case No. 12740/2025

The Patna High Court held that once the bid validity period of a tender expires, the bid loses its legal sanctity and no enforceable right survives in favour of the bidder, rendering challenges to technical disqualification largely academic. The Court found that the petitioner had failed to submit mandatory supporting work orders within the prescribed timeline and that the authorities had duly considered its representations without arbitrariness or non-application of mind. Accordingly, the writ petition was dismissed on the ground that, after expiry of the bid validity period, no practical or legally sustainable relief such as reconsideration or revival of the tender participation could be granted.



Shyam Kishor Maurya

Pankaj Saraf Vs. The State of Madhya Pradesh and Others, 2026:MPHC-JBP:37179

The Madhya Pradesh High Court quashed an FIR registered under Sections 420/409/294/506 IPC, holding that disputes arising out of commercial transactions, development agreements, financial settlements, and plot transfers are essentially civil in nature and cannot be given a criminal colour in the absence of foundational criminal ingredients. The Court observed that the parties were engaged in continuing business and contractual relations, and the allegations merely pertained to refund of money, settlement of accounts, and transfer of plots, which are matters amenable to adjudication before competent civil courts. It was further held that there was no material to establish dishonest intention at the inception of the transaction or entrustment in the legal sense required for offences of cheating or criminal breach of trust, and accordingly, the FIR and consequential chargesheet were quashed.



Shyam Kishor Maurya

Business Disputes Aren't Always Criminal




Absence of dishonest intention and legal entrustment led the Court to treat the dispute as civil in nature rather than criminal misconduct.

CASE TITLE: Pankaj Saraf Vs. The State of Madhya Pradesh and Others, 2026:MPHC-JBP:37179

Litigation

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Senior Citizens Have Property Rights Too



The Court held that children cannot casually restrain aged parents from dealing with their property without clear proof of coparcenary rights and entitlement.

CASE TITLE: Mukesh Kumar Kewat and Others Vs. Gaya Prasad Kewat and Others, 2026:MPHC-JBP:34348

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Mukesh Kumar Kewat and Others Vs. Gaya Prasad Kewat and Others, 2026:MPHC-JBP:34348

The Madhya Pradesh High Court held that children cannot casually approach courts to restrain aged parents from enjoying, dealing with, or alienating their property unless they establish a strong prima facie case proving the existence of coparcenary property and a subsisting birthright therein. Upholding the appellate court's order, the Court vacated the injunction in respect of two properties after finding no prima facie material showing them to be coparcenary in nature, while observing that unnecessary restraints on a 90-year-old father's right to enjoy property would amount to denial of his basic human rights in the evening of his life. The Court further observed that children cannot, "at the drop of a hat," interfere with the property rights of senior citizen parents, and accordingly dismissed the petitions challenging the appellate order.



Shyam Kishor Maurya

Siya Ram Vs. The State of Bihar and Others, Letters Patent Appeal No. 827/2025

The Patna High Court held that where a Labour Court award directing reinstatement with full back wages has attained finality and remains unchallenged, proceedings under Section 33C(2) of the Industrial Disputes Act are merely in the nature of execution proceedings and cannot be interfered with in a manner that defeats or nullifies the original award. The Court rejected the Corporation's reliance on the principle of "No Work, No Pay" and allegations of gainful employment, noting the absence of any material showing waiver of back wages or alternative employment of the workman. Holding that the Labour Court was competent to compute the monetary benefits flowing from the award and that the Single Judge's order effectively nullified an unchallenged award, the Division Bench set aside the impugned order as suffering from perversity and patent illegality.



Shyam Kishor Maurya



Litigation

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Unequal Appointments Are Unconstitutional



The Supreme Court has held that appointing candidates to contractual posts against regular vacancies, despite conducting a regular selection process, is unconstitutional and violative of Articles 14 and 16.

CASE TITLE: LOKENDRA KUMAR TIWARI VERSUS UNION OF INDIA AND OTHERS, CIVIL APPEAL NO(S). 5307 OF 2024

Contractual Appointment Against Regular Vacancy Is Arbitrary and Violative of Articles 14 and 16

The Supreme Court of India held that offering a contractual appointment through a recruitment process initiated for regular vacancies is patently illegal and unconstitutional when no reasons exist for differential treatment. The Court observed that once candidates are assessed under a regular selection process, similarly situated candidates must receive equal treatment in public employment. Holding that denial of a regular appointment despite requisite qualifications violated Articles 14 and 16, the Court directed the institute to appoint the appellant as Assistant Professor on a regular basis with continuity of service, clarifying that the issue concerned legality of recruitment and not regularisation of contractual employment. **LOKENDRA KUMAR TIWARI VERSUS UNION OF INDIA AND OTHERS, CIVIL APPEAL NO(S). 5307 OF 2024**



Ananya Jain

Testimony of Hostile Witnesses Can Be Relied Upon for Acquittal as Well

The Supreme Court of India held that the testimony of hostile witnesses can be used not only to convict an accused but also to discredit the prosecution case and support acquittal when such evidence appears credible. Setting aside a murder conviction under the IPC and SC/ST Act, the Court found that contradictions in the testimony of hostile witnesses destroyed the prosecution's case regarding the place and occurrence of the incident. The Court also noted absence of independent witnesses despite the alleged crime occurring in a busy public area, holding that the prosecution failed to prove its case beyond reasonable doubt.

TALARI NARESH VERSUS THE STATE OF TELANGANA, SLP(Cr.) No.13614 OF 2025



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Hostile Witnesses Can Still Matter



The Supreme Court of India held that credible portions of a hostile witness's testimony may be relied upon, even to support an acquittal, where the prosecution's evidence is doubtful and unreliable.

CASE TITLE: TALARI NARESH VERSUS THE STATE OF TELANGANA, SLP(Cr.) No.13614 OF 2025


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Comparable Land Governs Compensation



The Supreme Court of India held that compensation for acquired land must be determined on the basis of genuinely comparable land transactions, and not on unrelated residential sale exemplars.

CASE TITLE: National Highways Authority of India versus Alfa Remidis Ltd. and others, Special Leave Petition (C) No. 33773 of 2025

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Compensation for Acquired Land Must Be Based on Comparable Land Use Under Section 26 of 2013 Act

The Supreme Court of India held that compensation for acquired land under Section 26(1)(b) of the Right to Fair Compensation and Transparency in Land Acquisition Act, 2013 must be determined using sale exemplars of “similar type” land. The Court ruled that a residential sale deed from an adjoining village could not be relied upon to value industrial land acquired for highway expansion. It further clarified that reliance on a single sale deed is contrary to the statutory scheme requiring assessment based on multiple comparable transactions. Setting aside the arbitral award and High Court judgment, the Court recalculated compensation based on government Ready Reckoner rates with statutory benefits.

Project Director, National Highways Authority of India versus Alfa Remidis Ltd. and others, Special Leave Petition (C) No. 33773 of 2025



Ananya Jain

Right to Education in Mother Tongue Flows From Article 19(1)(a)

The Supreme Court of India held that a child’s right to receive primary education in a language of choice is protected under Article 19(1)(a) of the Constitution, as meaningful freedom of speech and expression includes the ability to understand and process information. Emphasizing that education should, as far as practicable, be imparted in the mother tongue or a familiar language, the Court observed that such instruction strengthens conceptual clarity and cognitive engagement. Directing the State of Rajasthan to introduce Rajasthani as a subject in schools, the Court held that continued inaction in implementing language based educational policies risks violating fundamental rights.

PADAM MEHTA AND ANR. Versus THE STATE OF RAJASTHAN AND ORS., SLP(C) No. 1425/2025



Ananya Jain



Corporate

IBC Cannot Be Invoked as Recovery Tool for Builder-Linked Loan Dispute: Supreme Court

The Supreme Court has held that proceedings under the Insolvency and Bankruptcy Code, 2016 (IBC) cannot be used as a coercive recovery mechanism, particularly where the dispute is predominantly contractual and involves obligations linked to a third party's performance.

The case involved a loan of ₹1.34 crore disbursed by Dhanlaxmi Bank directly to a builder for purchase of property by the corporate debtor in a real estate project. The loan arrangement was governed by a quadripartite agreement, under which the builder had significant obligations relating to construction, delivery, and transfer of the property. Upon default and classification of the account as a non-performing asset, the bank initiated recovery proceedings before the Debt Recovery Tribunal and subsequently pursued insolvency proceedings under Section 7 of the IBC.

While the NCLT admitted the CIRP on the basis that debt and default were established, the NCLAT set aside the order, noting that the loan amount had not been directly disbursed to the corporate debtor and repayment was closely linked to the builder's performance.

Upholding the NCLAT's decision, the Supreme Court observed that the transaction could not be viewed as a simple financial lending arrangement between the bank and the corporate debtor. Since the bank's disbursement was intrinsically connected with the builder's obligations, the dispute involved intertwined contractual issues rather than a straightforward financial debt-default relationship.

The Court reiterated that the IBC is intended for resolution of genuine financial distress and not for enforcing payment in contractual disputes. Allowing insolvency proceedings in such cases would improperly convert the Code into a debt recovery tool.

Case Title: Dhanlaxmi Bank Limited vs. Mohammed Javed Sultan & Ors.
Citation: 2026 LiveLaw (SC) 480



Akshita Agarwal

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IBC Cannot Resolve Pure Recovery Disputes



Where repayment obligations are closely linked to builder performance and contractual terms, insolvency proceedings cannot be used as a recovery shortcut.

CASE TITLE: Dhanlaxmi Bank Limited vs. Mohammed Javed Sultan & Ors.
CITATION: 2026 LiveLaw (SC) 480

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Corporate

SEBI Proposes Key Reforms to Buy-Back Regulations to Enhance Investor Participation

The Securities and Exchange Board of India (SEBI) has issued a consultation paper proposing significant amendments to the SEBI (Buy-Back of Securities) Regulations, 2018, with the objective of modernising the buy-back framework, improving shareholder communication, and enhancing operational flexibility for listed companies.

The proposals follow SEBI's earlier consultation issued in April 2026 regarding the possible reintroduction of open market buy-backs through the stock exchange route. The latest recommendations are based on deliberations with the Primary Market Advisory Committee (PMAC), which suggested several measures to strengthen investor participation and execution efficiency.

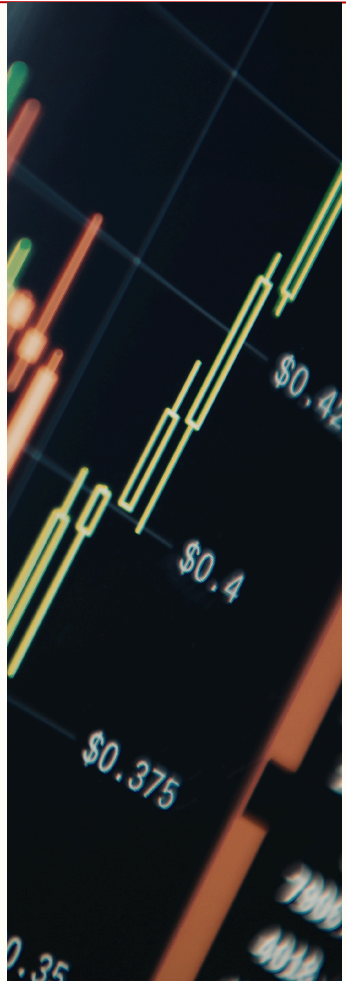
A major proposal relates to direct communication with shareholders. At present, companies are required to make public announcements regarding buy-backs through stock exchanges and other prescribed disclosures. However, recognising that retail investors may not actively monitor such disclosures, SEBI has proposed making it mandatory for companies to send electronic intimations of the buy-back offer directly to shareholders through email or similar electronic modes. Such communication would be required within one working day of the public announcement and must include a copy of the public notice.

SEBI has also proposed changes relating to the duration and utilisation requirements for open market buy-backs through stock exchanges. The consultation paper suggests restoring the earlier maximum duration of six months for such buy-backs, replacing the significantly shorter timelines that existed before the route was discontinued in April 2025. At the same time, to ensure meaningful execution, PMAC has recommended increasing the minimum utilisation threshold from 40 percent to 50 percent during the first half of the buy-back period.

The proposed reforms aim to strike a balance between investor protection and ease of doing business by promoting transparency, improving investor awareness, and providing greater flexibility to listed entities in executing buy-back programmes. SEBI has invited public comments before finalising the amendments.



Akshita Agarwal



Corporate

Entry in Register of Members Not Sole Requirement to Maintain Oppression and Mismanagement Petition: Supreme Court

The Supreme Court has held that formal entry in a company's register of members is not the exclusive mode of establishing membership for the purpose of maintaining proceedings relating to oppression and mismanagement under Sections 397 and 398 of the Companies Act, 1956.

The Court observed that the expression "member" must be interpreted in a broader and equitable manner, particularly in cases involving minority stakeholder protection. It clarified that while Section 41(2) of the Companies Act recognises entry in the register as one mode of acquiring membership, it does not make such entry the sole determinant of membership status.

The dispute arose from a petition filed by a stakeholder alleging oppression and mismanagement after his share application money was accepted but shares were not formally allotted to him. The appellants challenged his locus on the ground that his name was never entered in the company's register of members. The Company Law Board and the High Court, however, recognised him as a member and granted relief.

Upholding these findings, the Supreme Court held that the jurisdiction under Sections 397 and 398 is equitable in nature and intended to protect minority stakeholders against unfair conduct. The Court noted that an unduly technical interpretation restricting membership only to persons formally entered in the register would defeat the remedial purpose of the legislation.

The Court also relied on surrounding factual circumstances, including correspondence recognising the respondent as a co-owner, his induction as Managing Director, and evidence that his investment had been accepted and utilised for expansion of the company's business.

The ruling reinforces the principle that courts may look beyond procedural formalities and examine the substance of the relationship while determining maintainability of oppression and mismanagement proceedings.

Case Title: Dr. Bais Surgical and Medical Institute Pvt. Ltd. & Ors. vs. Dhananjay Pande Citation: 2026 LiveLaw (SC) 461



Akshita Agarwal



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Equity Protects Genuine Stakeholder Rights



Absence of a name in the register alone cannot defeat oppression and mismanagement remedies where investment, participation, and stakeholder recognition are clearly established.

CASE TITLE: Dr. Bais Surgical and Medical Institute Pvt. Ltd. & Ors. vs. Dhananjay Pande
CITATION: 2026 LiveLaw (SC) 461

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