

News

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Vadilal

BOMBAY HIGH COURT GRANTS RELIEF TO 'BOMBAY GROUP' IN VADILAL BRAND ROW WITH AHMEDABAD GROUP

The Bombay Group was given temporary protection by the court, which held that their **Vadilal brand rights** are derived from a **1993 family settlement** and cannot be regarded as a terminable license.

In a dispute over the use of the **Vadilal brand name** [Shailesh Gandhi & Ors v. Ramchandra Gandhi & Ors], the **Bombay High Court** recently granted relief to the **"Bombay Group"** of the Vadilal ice cream company. Justice Amit Borkar held that the Bombay Group's long-standing rights to use the "Vadilal" brand in western and southern states of India are **prima facie rooted in a 1993 family settlement** and are not merely a

commercial license that can be terminated at any time.

The Bombay Group's Shailesh Gandhi, his wife Bela, and Vadilal Dairy International Ltd. petitioned the court for temporary protection under Section 9 of the Arbitration and Conciliation Act, 1996.

Amit Borkar, Justice

Based on a 1993 family settlement between the Bombay and Ahmedabad branches of the Gandhi family, they asserted permanent and irrevocable rights to produce and market ice cream and drinks under the "Vadilal" brand in Maharashtra, Goa, Karnataka, Kerala, and Andhra Pradesh (including Telangana).

After Vadilal International Pvt Ltd, a division of the Ahmedabad Group, sent a communication in May 2026 requesting the termination of the registered user agreement and the revocation of an irrevocable power of attorney, so denying them the ability to use the "Vadilal" brand, they petitioned the court.

The Court observed that on March 30, 1993, four contracts were signed: a registered user agreement, an irrevocable power of attorney, a branding agreement, and a memorandum of agreement known as the "parent agreement" (the 1993 family settlement agreements).

According to Justice Borkar, the parent agreement seemed to document the general understanding between the two branches about company separation, share transfers, territory partition, and future use of the "Vadilal" name, with the other documents carrying out that arrangement.

The judge stated, "This demonstrates that the Registered User Agreement was not an ordinary commercial licence but was a part of the family settlement under which the Bombay Group received permanent and irrevocable rights in the 'Vadilal' brand after giving up its shareholding and management rights in the Vadilal International."

According to the judge's initial interpretation, the four 1993 documents seem to be connected components of a single, more comprehensive family arrangement, with the parent agreement serving as the overarching document.

The parent agreement's arbitration clause, which may apply to disagreements under later agreements, was noted by the court.

Given that Vadilal International and Vadilal Industries Ltd., both affiliated with the Ahmedabad Group, had operated under the family settlement for decades, the Court initially **stated that the arbitral panel should handle any inquiries regarding their roles and the proposed merger.**

Vadilal International said that any order permitting continuing use of the mark would amount to a mandatory injunction reinstating a dead contract since, once the registered user agreement was terminated, there was "no relationship" left to defend.

The judge made a distinction between maintaining rights asserted under a more comprehensive family settlement and reinstating a license that had been revoked.

The Bombay Group contended that the registered user agreement and power of attorney operationalized its trademark rights, which had their roots in the parent agreement and branding agreement.

It therefore requested temporary relief.

The Court determined that the action sought was not to definitively reinstate a terminated business license, but rather to protect contested rights under the family settlement pending arbitration.

As a result, it prohibited the Ahmedabad Group from acting on the termination notice dated May 26 and issued a protective order in favor of the Bombay Group.

The Ahmedabad group was prohibited by the court from **transferring, licensing, or establishing third-party rights in the contested trademark and associated rights, as well as from using the "Vadilal" brand in Bombay Group's territory.**

The Court made it plain that the order will be in effect during the arbitral procedures and for ninety days following the arbitral verdict, unless the arbitral panel modifies it.