

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
NAGPUR BENCH AT NAGPUR

APPEAL AGAINST ORDER NO. 36 OF 2018

M/s Plaxo Pipes and Films Pvt. Ltd.
a Company incorporated under the
provisions of Indian Companies Act,
1956, having its Regd. Address
at 201/3-B, Patwari Halka No.6,
Opp.Singnum Fire, Waddhamma,
Nagpur – 440 023 through its Director
Mrs Khushboo Sunil Sawal

.. Applicant

Versus

M/s Plasto Containers (I) Pvt. Ltd.,
a Company incorporated under the
provisions of Indian Companies Act,
1956 through its Plant Head Mrs.
Mohan s/o Shamandas Rughani,
having its Regd. Address at J-3, MIDC,
Hingana, Nagpur – 440 016.

.. Respondent

Shri Anand Jaiswal, Senior Advocate, Assisted by Ms Sandhya Maniyar,
Advocate for applicant.

Shri G.B. Sawal, Advocate a/w Shri Yash Kataria, Advocate for respondent.

CORAM : SMT. M.S.JAWALKAR, J.

RESERVED ON : 22/02/2023

PRONOUNCED ON : 24/03/2023

JUDGMENT

Heard finally by the consent of the learned counsel
appearing for the parties.

(2) The present application is filed being aggrieved by the order dated 15/02/2018 passed by the learned District Judge-8, Nagpur allowing the application for grant of temporary injunction filed by the respondent/original plaintiff vide Exhibit-5 in Trade Mark Suit No.02/2017.

(3) The respondent/plaintiff herein has filed a suit being Trade Mark Suit No.02/2017 for an order of permanent injunction, whereby restraining the present appellant/defendant, its directors, partners or proprietors, as the case may be, from manufacturing, selling, offering for sale, advertising, directly or indirectly dealing in building material products or goods of any description bearing the trademark and/or trade name "PLAXO" or similar to the plaintiff's trademark "PLASTO" amounting to infringement of its registered trademark "PLASTO" under Nos.1133438 in Class-21 and Nos.1631766 in Class-19. In addition to above, it has sought further relief of injunction, for restraining the present appellant/defendant, its directors, partners or proprietors, as the case may be, from dealing by using deceptively similar marks not only limited to PLASTO by misrepresentation. It has also sought an order of delivery of all the goods bearing trademark "PLAXO", dye,

blocks, cartons and any other infringing material to their authorized representatives for the purpose of destruction and also claimed damages to the tune of Rs.5,00,000/- towards loss caused to it on account of unauthorized use of impugned mark.

(4) The plaintiff submitted that it is engaged in the business of manufacturing, supplying and exporting expensive range of water storage tanks, plastic water tanks, PVC pipes and fittings, CPVC pipes and fittings, plastic pipes, HDPE and sprinkler pipes, for more than 30 years under the distinctive trademark/logo “PLASTO”, which is registered under Indian Trade Mark Act,1999. It has further claimed that due to quality, safety, innovation and reliability, there is ever increasing demand for the products and consequently it has acquired reputation and goodwill throughout the country.

(5) In recent past, it was noticed by it that the present appellant/defendant is manufacturing several products under the mark “PLAXO”, which is deceptively similar, phonetically, structurally, visually, label by font and exactly identical to its trademark “PLASTO”. The present appellant/defendant is using the same punch-line too and has dishonestly adopted the well-known trademark

“PLASTO” of the plaintiff/respondent since its products are overlapping with its product category, owing to which, confusion is created in the course of trade and purchasers of ordinary intelligence and imperfect recollection are being deceived. In this background, the suit has been filed and in the said suit, an application for grant of temporary injunction under Order 38 Rules 1 and 2 too was filed.

(6) On 31/08/2017, the appellant/defendant filed its composite written statement-cum-reply opposing the suit and application contending that the same is abuse of process of law and further not maintainable. It further pointed out that it is using the said trademark since 01/04/2014 and not in any manner affecting the business of respondent/plaintiff as alleged. On 15/02/2018, the learned District Judge erroneously assumed jurisdiction to try the said suit and further mechanically allowed the application for grant of temporary injunction. Being aggrieved by the aforesaid order of learned District Judge, the present appeal against order is filed.

(7) The contention of the applicant is that the learned District Judge has failed to notice the malafides of the conduct of the respondent before it, which is evident from the fact that there is no

disclosure of the fact that the appellant is a registered trademark holder of the word “PLAXO” and, therefore, by virtue of Section 28(3) of the Trade Marks Act, it is precluded from claiming infringement of its registered trademark. The learned District Judge has also failed to notice that there were bald averments about acquisition of knowledge of the commercial activities of the present appellant for the first time in September, 2016 where it is specifically contented by the appellant that it is using the abovesaid trademark since 01/04/2014. The appellant further contended that the learned District Judge ought to have noticed the classification of goods and services as class-19 and 21 are absolutely different classification of goods then that of class-17. Further the appellant is not in the same category of business as that of respondent who is business of tanks building material etc. Moreover the names are distinct and different phonetically and structurally.

(8) It is the contention of the applicant herein, the products manufactured by both the companies is plastic as a raw material. The word “PLA” are only descriptive and publici juris being abbreviation of the generic term ‘plastic’ and it is a natural conduct that the customers tend to ignore the common features and pay more attention to the uncommon features, namely, “STO” and “AXO” which

are clearly dissimilar. The prefix, which is used in both the trade marks is common and further both the appellant and the respondent are manufacturing and also marketing plastic products. Thus, in these peculiar circumstances, neither the appellant, nor the respondent can raise any claim for exclusive user.

(9) The learned Counsel for respondent supported the order of the learned District Court and contended that the appellant/defendant has dishonestly adopted the well known trademark “PLASTO” of the plaintiff because of the goodwill and reputation of the plaintiff. The impugned trademark is bound to cause confusion in the course of the trade and will deceive any purchaser of ordinary intelligence and imperfect recollection in as much as the product to be marketed is same, viz. building material and products like pipes, therefore, the learned Court below has rightly appreciated the facts, circumstances and the documents placed on record and passed an appropriate order.

(10) The learned Counsel for respondent relied on following citations:

- 1) *S. Syed Mohideen Vs. P. Sulochana Bai, reported in (2016) 2 SCC 683.*
- 2) *Ramdev Food Products (P) Ltd. Vs. Arvinbhai Rambhai Patel, reported in (2006) 8 SCC 726.*
- 3) *Jagdish Gopal Kamath Vs. Lime & Chilli Hospitality Services, reported in 2015 SCC OnLine Bom 531*
- 4) *Lupin Ltd. Vs. Johnson and Johnson, reported in SCC OnLine Bom 4596.*
- 5) *Himalyan Drug Co. vs. Gufic Ltd. and another, 2004 SCC OnLine Bom 80.*
- 6) *Wander Ltd. and another vs. Antox India P. Ltd. 1990 Supp Supreme Court Cases 727.*
- 7) *Skyline Education Institute (India) Private Ltd. vs. S.L.Vaswani and another (2010) 2 SCC 142.*

(11) Heard parties at length. Considering the rival contentions and order passed by the learned District Judge, Nagpur below Exh.5 dated 15/02/2018 in Trade Mark Suit No.02/2017. The main suit was filed for permanent injunction restraining infringement of trademark, passing off, dilution of trademark etc. The building material are sold by the plaintiff under distinctive trademark/logo "PLASTO". The said trademark is registered under the Indian Trademark Act, 1999.

(12) It is the contention that the defendant company also

manufacturing several products under the mark “PLAXO” which is deceptively similar phonetically, structurally, visually labely, by font and exactly identical to the plaintiff’s trademark “PLASTO”. The punch line is also similar. It is contended that the impugned trademark was bound to cause confusion in the course of the trade and will deceive any purchaser of ordinary intelligence and imperfect recollection in as much as the product to be marketed is same and prayed for injunction.

(13) As against this, the contention of the applicant herein, as gathered from the submission is that the applicant herein carrying on an old and established business of trading PVC Hoses, namely, flexible pipes under mark “PLAXO” using same logo since 2014.

(14) The learned counsel for the applicant also submitted that learned trial Court without verifying that the product which defendants are marketing belongs to different Class than the product which the plaintiff is marketing. Even if plaintiff’s product is registered, it is under Class-19 and Class-21, whereas ‘Flexible’ pipes are included under Class-17 of which the plaintiff company has no

registration.

(15) The learned trial Court on the basis of fact held that there is trademark registration certificate produced by the plaintiff which shows mark “PLASTO” has been registered with the Registrar of trademark. The company is entitled to certain rights as per Section 28 of the said Act. Section 28(1) of the said Act conferred rights in view of registration, it give to the registered proprietor of the trade mark the exclusive right to the use of the trade mark in relation to the goods or services in respect of which the trade mark is registered and to obtain relief in respect of infringement of the trade mark in the manner provided by this Act.

(16) The learned trial Court relying on Section 29 of the said Act and held that there is infringement of registered trademark. While applying Section 29, the learned District Court ought to have verified that under which Class the trademark is registered. The trademark of plaintiff is registered under Class-19 and Class-21. As per “Nice Classification (8th Edition) List of Classes with Explanatory Note” which was produced by respondent herein under Class-19, following items are included :-

*“ Building materials (non-metallic);
non-metallic rigid pipes for building;
Asphalt, pitch and bitumen;
non-metallic transportable buildings;
monuments, not of metal.*

Explanatory Note

*Class 19 includes mainly non-metallic building materials.
This Class includes, in particular :*

- semi-worked woods (for example : beams, planks, panels);*
- veneers ;*
- building glass (for example, floor slabs, glass tiles);*
- glass granules for marking out roads;*
- letter boxes of masonry*

This Class does not include, in particular :

- cement preservatives and cement waterproofing preparations (Cl.1);*
- fireproofing preparations (Cl.1).”*

(17) Whereas flexible pipes are included under Class-17, which is the product of defendant company. The plaintiff is not having registered trademark under Class-17. Class – 17 including following items :-

“Rubber, gutta-percha, gum, asbestos, mica and goods made from these material and not included in other classes;

*plastics in extruded form for use in manufacture;
packing, stopping and insulating materials;
flexible pipes, not of metal*

Explanatory Note

Class 17 includes mainly electrical, thermal and acoustic insulating materials and plastics, being for use in manufacture in the form of sheets, blocks and rods.

This class includes, in particular :

- rubber material for recapping tyres;*
- padding and stuffing materials of rubber or plastics;*
- floating anti-pollution barriers.”*

(18) Section 28 conferred rights by registration, the said rights in relation to goods for which it is registered and Section 29 provides, if there would be an infringement of registration. Section 7 speaks about classification of goods and services. The Registrar of trademark shall classify the goods and services as far as may be in accordance with international classification of goods and services for the purpose of registration of trade mark. It has to be looked into whether similarity in the name by itself will amount an infringement or there has to be similarity in goods or services. There has to be similarity in relation to the goods or services in which it is registered, if goods falls in different Class, then there cannot be any similarity.

(19) The learned counsel for the respondent relied upon *Syed Mohideen* (supra). In support of his contention that plaintiff company being prior user, is entitled for protection. The Hon'ble Apex Court held that the opening words of Section 34 which states "Nothing in this Act shall entitle the proprietor or a registered user of registered trade mark to interfere....." Thus, the scheme of the Act is such where rights of prior user are recognized superior than that of the registered proprietor and even the registered proprietor cannot disturb/interfere with the rights of prior user. The over all effect of collective reading of the provisions of the Act is that the action for passing off which is premised on the rights of prior user generating a goodwill shall be unaffected by any registration provided under the Act. Learned District Judge also has not given any *prima facie* finding that the plaintiff is a prior user of the product which defendant is producing. On the contrary he proceeded on premise that the plaintiff is having registration of goods they are producing without verifying the claim of the goods.

(20) The Hon'ble Apex Court in the case of *Syed Mohideen* (supra) also held as follows :-

“31.2 *The applicability of the said principle can be seen as to which proprietor has generated the goodwill by way of use of the mark/name in the business. The use of the mark/carrying on business under the name confers the rights in favour of the person and generates goodwill in the market. Accordingly, the latter user of the mark/name or in the business cannot misrepresent his business as that of business of the prior right holder. That is the reason why essentially the prior user is considered to be superior than that of any other rights. Consequently, the examination of rights in common law which are based on goodwill, misrepresentation and damage are independent to that of registered rights. The mere fact that both prior user and subsequent user are registered proprietors are irrelevant for the purposes of examining who generated the goodwill first in the market and whether the latter user is causing misrepresentation in the course of trade and damaging the goodwill and reputation of the prior right holder/former user. That is the additional reasoning that the statutory rights must pave the way for common law rights of passing off.*”

(21) However, in my considered opinion with due respect to the principle laid down in above referred citation, does not apply, unless it is *prima facie* established that plaintiff, as well as, defendant are selling the same goods. The plaintiff's contention appears to be that he is having registered trade mark and therefore, as per Section 28, his rights are required to be protected. However, the goods which are registered are not belonging to the same Class of which the defendant is producing and marketing. The flexible pipes and pipes required under building materials are classified in two different classes

and flexible pipes are included in Class-17, whereas rigid (non metal pipes) are included in Class-19.

(22) The learned counsel for the respondent vehemently submitted that in Class – 19 Pipes (water---) not of metal are at Sr.No. P 0411 similarly P 0398 Pipes (Drain---) not of metal, P 0409 Pipes (Rigid---) not of metal [building] are covered. Though these items are included in Class-19, they are under Class of non-metallic, rigid pipes for building, whereas Class-17, the item flexible pipes not of metal are there. As such both the goods are falling in different Class i.e. flexible pipes not of metal and rigid pipes (non-metal) under building material. In the case of ***Syed Mohideen*** (supra) the same product with similar name was in question.

(23) It is submitted by learned counsel for the respondent that this Court has limited power and relied upon ***Ramdev Food Products (P) Ltd.*** (supra) wherein the Hon'ble Apex Court held as under :-

“126. The grant of an interlocutory injunction is in exercise of discretionary power and hence, the appellate courts will usually not interfere with it. However, the

appellate courts will substitute their discretion if they find that discretion has been exercised arbitrarily, capriciously, perversely, or where the court has ignored the settled principles of law regulating the grant or refusal of interlocutory injunctions.....”

(24) Learned counsel also placed reliance on ***Jagdish Gopal Kamath and others*** (supra), wherein a coordinate Bench of this Court laid down a test to ascertain whether trade mark of defendants mark deceptively similar or identical to that of the plaintiff. However, again in the said matter, the trade mark is used for same business i.e. South Indian Cafe. In view of this fact, the principles laid down is not applicable in the present set of fact.

Here the defendant is not challenging registration of the plaintiff, however, it is his contention that the product which defendant is marketing belongs to different Class than the product for which the plaintiff is having registered trade mark.

(25) Learned counsel for the respondent also relied upon a decision of Full Bench of Bombay High Court in the case of ***Lupin Ltd.*** (supra). However, for the same reasons, it is not applicable in the present set of facts. The Full Bench of this Court held as under :-

“25. The moot question, however, is whether at this interlocutory stage, while considering the question whether the defendant’s plea regarding invalidity of the registration of the plaintiffs trademark is prima facie tenable, the Civil Court is precluded from considering whether the registration granted in favour of the plaintiff is totally illegal or fraudulent or unconscionable which shocks the conscience of the Court.”

(26) As discussed above there is no challenge to the registration of trade mark being fraudulent or illegal, the case of the defendant is that it is not registered for goods of which infringement is claimed. The goods which defendant is producing, are flexible pipes, whereas plaintiff is producing non-metal/rigid pipes for building materials. This Court also held that the ultimate test should be, who is first in market.

(27) Learned counsel also drawn my attention to the concluding para 59 of Judgment of ***Lupin Ltd.*** (supra), however, again at the cost of reputation, I would say that there is no challenge to the validity of the registration of the trade mark.

(28) Learned counsel for the respondent also relied upon ***Himalayan Drug Co.*** (supra), wherein it was the case of respondent that the appellants entered the market with “Shallaki” only in February

2002, whereas the respondent No.1 entered the market with “Shallaki” since January, 1982 i.e. over 20 years before and even the turnover for the product of respondent No.1 in the market is also much larger than that of appellant. This Court relying upon judgment of *Durga Dutt Sharma vs. Navaratna Pharmaceuticals Laboratories, AIR 1965 SC 980/990*, wherein it was held by Hon’ble Apex Court that in an action for infringement, the plaintiff must, no doubt, make out that the use of the defendant’s mark is likely to deceive, but where the similarity between the plaintiffs and defendants mark is so close either visually, phonetically or otherwise and the Court reaches the conclusion that there is an imitation, no further evidence is required to establish that the plaintiff’s rights are violated. However, both the cases are distinguishable on facts. The claim of the plaintiff is objected on the ground that the rigid pipes for which the registration under Class-19 has obtained by plaintiff company, cannot seek protection under Section 28 for infringement of registration of defendant’s selling flexible pipes, which are classified under Class-17.

(29) Learned District Judge proceeded on premise that the plaintiff company is having registered trade mark, however, there

is no discussion about Class of trade mark, the plaintiff is having. The contention of the defendant is that he is also having registered trademark in Class-17 which was duly registered and though plaintiff was knowing of the same, it was not disclosed by the plaintiff to get an interim injunction. After filing of the suit, the plaintiff file rectification/cancellation application which is pending. The learned District Judge ought to have considered that plaintiff is having registered trademark "PLASTO" in Class-19 and Class-21. As such inquiry in this aspect, whether the products which are produced by defendant are in Class-19 and Class-21, and if not, then there would not be any similarity and if there is any dispute about Class of product, the Registrar for trade mark is the Competent Authority to decide the same.

(30) The consumers of the product which plaintiff is producing and the consumers of the product which defendant is producing can not be the same, because consumer would also be different in view of its use.

As such in my considered opinion, the learned District Judge failed to consider the basic requirement before granting

injunction about the Class in which trade mark is registered of both the plaintiff, as well as defendant. The learned District Judge also failed to apply the three ingredients for grant of injunction in its proper perspective. If at all the plaintiff is claiming prior user of flexible pipes, there has to be pleading and *prima facie* case to cover under passing off. This aspect is not considered at all by the learned District Judge. The learned District Judge ought to have noticed the classification of goods and services as per Class-19 and Class-21 are absolutely different classification of goods than that of Class-17. Moreover, the appellant defendant is not in marketing of tanks or building materials. Without inquiry into the Class for which the product is registered under Trade Marks Act, 1999, the granting protection under Section 29 of the said Act for infringement is totally erroneous.

(31) Learned counsel for the respondent relied upon ***Wander Ltd.*** (supra) in support of his contention that this Court may not interfere in the discretion exercised by the trial Court. The Hon'ble Apex Court held in the said matter that appeals before the Division Bench were against the exercise of discretion by the Single Judge. In

such appeals, the appellate Court will not interfere with the exercise of discretion of the Court of first instance and substitute its own discretion capriciously or perversely or where the Court had ignored the settled principles of law regulating grant or refusal of interlocutory injunctions. An appeal against exercise of discretion is said to be an appeal on principle.

(32) Learned counsel for the respondent also relied upon *Skyline Education Institution Pvt. Ltd.* (supra), wherein the Hon'ble Apex Court by relying upon *Wander Ltd. vs. Antox India (P) Ltd.* (supra), reiterated the principle that appellate Court should not interfere in the discretion exercised by the lower Court or Single Judge. However, with due respect to the principles laid down in the above citations, it is not applicable in the present set of facts as the District Judge decides on wrong premise that the matter is for infringement of trade mark. Thus, order passed by the learned District Judge is erroneous and it needs to be quashed and set aside. The matter is remanded back for fresh consideration and to hear application Exh.5 afresh.

(33) Accordingly, the appeal against order is partly

allowed. The impugned order dated 15/02/2018, passed below Ex.5 is hereby quashed and set aside. The learned District Judge is hereby directed to decide and consider application Exh.5 afresh, as early as possible preferably within **two months** from the next date as fixed by the District Judge.

(34) At this juncture, the learned counsel for the respondent requests for making observations that if any amendment application is filed by the present respondent bringing on record subsequent facts, the learned District Judge be directed to consider the same. In my considered opinion, the said direction cannot be issued, but the learned District Judge is at liberty to consider it on its own merits, if such application for amendment is filed.

[SMT. M. S. JAWALKAR, J.]