



2024:DHC:5788-DB



IN THE HIGH COURT OF DELHI AT NEW DELHI

%

Judgment delivered on: 05.08.2024

+ **FAO (COMM) 54/2022, CM APPL. 18087/2022 & CM
APPL.43572/2022**

M/S. GANESH GOURI INDUSTRIES

AND ORS

.....Appellants

versus

R. C. PLASTO TANKS AND PIPES

PVT. LTD.

..... Respondent

Advocates who appeared in this case:

For the Appellants : Mr. Salim A. Inamdar, Mr. Modassir
Husain Khan & Ms. Shruti Kapur,
Advocates.

For the Respondent : Mr. J. Sai Deepak, Mr. Ajay Amitabh
Suman & Mr. Shravan Kumar Bansal,
Advocates.

CORAM

HON'BLE MR. JUSTICE VIBHU BAKHRU

HON'BLE MR. JUSTICE AMIT MAHAJAN

JUDGMENT

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AMIT MAHAJAN, J

1. The appellants have filed the present appeal – FAO(COMM) 54/2022, impugning an order dated 18.02.2022 (hereafter ‘**the impugned order**’), passed by the learned Commercial Court, whereby the application filed by the respondent (hereafter ‘**Plasto**’) under Order 39 Rule 1 and 2 of Code of Civil Procedure, 1908 (‘**CPC**’) was allowed and the appellants application under Order 39 Rule 4 of the CPC was dismissed, thereby restraining the appellants from selling, soliciting, exporting, displaying, advertising, directly or indirectly or dealing in any manner in the impugned label/ trade dress colour scheme of the impugned marks.

2. Appellant no. 1 (hereafter ‘**Ganesh Gouri**’) is a partnership firm engaged in the business of manufacturing an array of goods including plastic tanks, water tanks, pipes and fittings and other allied and cognate goods. The appellants claim to have adopted the trademark/label “AQUA PLAST”, “GAURI AQUA PLAST” in respect of the said goods including plastic tanks, water tanks, pipes and fittings etc.

3. Plasto is part of the Plasto Group and claims to have adopted the trademark “PLASTO” for its business in the year 1981.

4. Plasto had filed a suit before the learned Commercial Court [being CS (COMM) 545/2021], *inter alia*, seeking permanent injunction, restraining infringement, passing off, delivery up and rendition of accounts etc., against Ganesh Gouri from using in any

manner impugned label/ device/ colour scheme  and

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in relation to their impugned goods and business of water storage tanks or any other trademark/label/artistic feature which is or which may be identical or deceptively similar to Plasto's



trademark / label / colour scheme being

5. The learned Commercial Court by order dated 12.01.2022, passed an *ex-parte* injunction and appointed a Local Commissioner to seize goods and hand over the same to Plasto on *superdari*.

6. There is a pre-existing history to the dispute. Plasto had on an earlier occasion instituted a suit being Trade Mark Suit No. 3/2018, before the Court of the Ad Hoc District Judge of the District Court, Nagpur for declaration, permanent and mandatory injunction, delivery up, damages etc., under the provisions of the Trademarks Act, 1999 (hereafter '**TM Act**') claiming that Ganesh Gouri's Trademark / label



being is deceptively similar to their Trademark / label being **PLASTO**. The said suit was settled and a compromise decree was passed in terms of the settlement on 30.11.2018.

7. In terms of the settlement, one of the agreed terms was that Ganesh Gouri will not use the mark 'PLASTO' or Plasto's tagline /slogan 'PLASTO HAI TOH GUARANTEE HAI' or any other similar mark on any of their products, which are similar to Plasto's goods.

8. In the present case the *ex-parte ad-interim* injunction was confirmed by the impugned order.



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9. Ganesh Gouri claims to have started using the label



“AQUA PLAST” upon receipt of Search Certificate/No Objection of Copyright issued by the Trades Mark Registry on 26.07.2021.

10. Plasto filed a petition C.O.(COMM.IPD-CR) 868/2022, under Section 50 of the Copyrights Act, 1957 seeking cancellation of Ganesh Gouri’s copyright registration – A-142047/2022, on the ground that the said registration was in conflict with the terms of the settlement dated 30.11.2018, entered into between the parties in the Nagpur Suit. The said petition was dismissed by the learned Single Judge of this Court by order dated 20.02.2023.

11. The competing marks/ labels are reproduced as under:



The Impugned Order

12. The learned Commercial Court held that the earlier suit of the plaintiff in Nagpur was separate and had no bearing on the subject suit. The learned judge emphasized that the prayer clauses in both the suits were entirely different, and that the present suit arises on the basis of a fresh cause of action.

13. Consequently, the learned Commercial Court held that it was not incumbent on the plaintiff to file an execution petition or contempt

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petition in the same Court which had disposed of the first case. The Court held that it is not binding upon the parties to file all subsequent cases in the same Court, which had earlier disposed of the first case.

14. The learned Commercial Court rejected the contention raised by Ganesh Gouri on the ground of forum shopping and held that there is a fresh cause of action for filing the present case and thus, it cannot be said that present suit is continuity to the earlier suit. It also held that it cannot be said that Plasto / plaintiff has suppressed the fact that it did not get any ad-interim injunction during the pendency of Nagpur suit since the said suit was a separate suit and has no bearing on the present case.

15. The learned Commercial Court held that since Plasto / plaintiff had not explicitly pleaded that the impugned mark was registered, it could not be stated that Plasto / plaintiff had falsely claimed registration of the mark in the plaint by using the symbol 'R' with the impugned mark to mislead the Court.

16. The learned Commercial Court held that there was no doubt with respect to the its jurisdiction in the relation suit, since there was sufficient material on record to show the activities of Plasto/plaintiff within its jurisdiction and also the sale of Ganesh Gouri/defendant's goods through the e-commerce website, Indiamart.

17. The learned Commercial Court took note of the discrepancy in the dates from which the defendant claimed the usage of the mark in question in their affidavits filed in compliance of an earlier order dated 13.01.2021, their application under Order 39 Rule 4 of the CPC and their counter affidavit.



Submissions

18. The learned Counsel for Ganesh Gouri submitted that it had sought No Objection Certificate from the Trademark's Registry *qua* their artistic work in the labels and had received the same on 26.07.2021, whereas Plasto only received their No objection Certificate on 30.07.2021 *qua* their marks, which was after the receipt of No objection Certificate by Ganesh Gouri.

19. He submitted that the learned Commercial Court has erred in dismissing its application under Order 39 Rule 4 of the CPC and has failed to appreciate the facts while passing the impugned order.

20. He submitted that the present suit is nothing but an attempt of Forum shopping since the present Suit is inextricably linked to the prior Nagpur suit. It is submitted that present suit is the second suit between the parties in relation to the alleged trademark infringement. The first suit was filed in April 2018, by Plasto before the Nagpur District Court alleging infringement of its trademark 'PLASTO' and its tagline 'PLASTO HAIN TOH GUARANTEE HAIN' against Ganesh Gouri on account of their use of the mark 'AQUA PLAST', along with the tagline 'NAAM HI GUARANTEE MAIN'.

21. He submitted that the first Suit was settled *vide* settlement agreement dated 30.11.2018 wherein it was specifically recorded that Plasto will not object to the use of the mark 'AQUA PLAST' or any other mark consisting of the word 'PLAST' by Ganesh Gouri. However, Ganesh Gouri was to only refrain from using the mark 'PLASTO' or the taglines similar to that of 'PLASTO HAIN TOH GUARANTEE HAIN' or 'NAAM HI GUARANTEE MAIN'.



22. He submitted that having obtained a compromise decree from the Court in Nagpur, both parties being registered and carrying on business in Nagpur, Plasto's choice of Delhi for filing its suit is *ex facie* an instance of forum shopping.

23. He submitted that Plasto chose to file the present suit in Delhi and not in Nagpur, since it had failed to get any *ad-interim* or interim injunction from the said court. The reliance is placed on the judgements – ***Black Diamond Track Parts Private Limited and Others v. Black Diamond Motors Private Limited: 2021 SCC OnLine Del 2630*** and ***Cipla v. Union of India: (2017) 5 SCC 262***.

24. He submitted that Plasto invoked the jurisdiction of the learned Commercial Court under Section 62(2) of the Copyrights Act, 1958 and Section 134(2) of the TM Act on the ground that it is carrying its business within the territorial limits of the concerned Commercial Court on account of its sales through e-commerce websites and through three authorised dealers based within the jurisdiction of the learned Commercial Court.

25. He submitted that the total amount of e-commerce sales within the territorial jurisdiction of the learned Commercial Court is only shown as ₹1500/- and the two invoices issued by the dealers have no stamp / signatures and name of the buyers. He submitted that there is no averment in the plaint with respect to the physical sales within the local limits of the learned Commercial Court.

26. He submitted that the learned Commercial Court did not appreciate the judgement of the Hon'ble Apex Court in the case of ***Union of India and Ors. v. Cipla Ltd. & Anr., (2017) 5 SCC 262***, on



the issue of forum shopping, for filing a suit with a similar cause of action, with some minor changes.

27. He submitted that despite apparent forum shopping and the contravened jurisdictional facts pleaded for invoking the jurisdiction of the learned Commercial Court, the learned Commercial Court upheld its jurisdiction to entertain the suit and has also granted interim injunction in favour of Plasto/ plaintiff.

28. He submitted that Ganesh Gouri has suffered a lot since the learned Commercial Court while passing the *ex parte ad-interim* injunction appointed a local commissioner to seize the goods at the factory in Nagpur and directed that the goods be handed over to Plasto on *Superdari*. He submitted that given the volume of goods involved, the local commissioner simply sealed the entire factory of Ganesh Gouri bringing the production of all goods, irrespective of whether they were infringing Plasto's alleged rights, to a complete halt for 10 days and the same was only released after the intervention of this Hon'ble Court by order dated 28.01.2022 passed in FAO (COMM) 18/2022.

29. He submitted that the impugned order was passed reiterating and confirming the *ad-interim* injunction granted on 12.01.2022 suggesting pre-determination. He submitted that the learned Commercial Court while passing the impugned order has completely ignored the *dicta* laid down in ***Indian Performing Rights Society Ltd. v. Sanjay Dalia & Anr : 2014 SCC Online Del 2031***. He submitted that the alleged sales of Plasto even if taken on the demurrer, are quantitatively inadequate to support conclusion that Plasto carries on its business within the territorial jurisdiction of the learned Commercial



Court. He submitted that the same also fails the test laid down in the ***Dhodha House v. S.K. Maingi: (2006) 9 SCC 41.***

30. He submitted that the learned Commercial Court has mechanically relied upon the judgement of ***WWE Inc. v. M/s Reshma Collection 2014 SCC OnLine Del 2031***, since in the facts of the present case Plasto has its registered Office in India, which is very unlike the facts of judgement of ***WWE Inc. v. M/s Reshma Collection (supra)***. He submitted that Plasto / plaintiff in the present case has no subordinate/ branch office within the territorial limits of the learned Commercial Court and therefore the reliance placed on the judgement of ***WWE Inc. v. M/s Reshma Collection (supra)*** is misplaced in view of the subsequent judgements passed in cases of ***Indian Performing Rights Society Ltd. v. Sanjay Dalia & Anr (supra)***, ***Ultra Home Construction Pvt. Ltd. v. Purushottam Kumar Chaubey & Ors. (2016) 227 DLT 320*** and ***Bigtree Entertainment Pvt Ltd. v. Saturday Sunday Media Internet & Ors. (2015) SCC OnLine Del 142(17).***

31. He submitted that a bare comparison of the competing labels, would show that the labels / marks are distinctive in nature. It is submitted that Plasto had suppressed the fact that Ganesh Gouri had already obtained a No objection Certificate ('NOC') from the copyright board at the time of the filing of the suit and since Ganesh Gouri had a valid registration, there cannot be a *prima facie* case of any infringement.

32. The learned Counsel for Plasto submitted that Ganesh Gouri's contention with respect to the forum shopping is baseless since Plasto had disclosed the factum of the suit filed in Nagpur in the plaint filed



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before the learned Commercial Court and that, the said suit was decreed in favour of Plasto.

33. He submitted that the present suit was filed before the learned Commercial Court based on a fresh cause of action, since the mark/label in question is different from the mark/label which was subject matter of challenge before the Nagpur Court.

34. He submitted that the jurisdiction of the learned Commercial Court was rightly invoked since Ganesh Gouri had been making sales and supplying its goods with the impugned mark/label to the dealers and distributors in the market located within the jurisdiction of the learned Commercial Court.

35. He submitted that while deciding the issue of jurisdiction, the Court has to see only the averments made in the plaint and, in the present case, there is a specific averment made in the plaint conferring the territorial jurisdiction on the learned Commercial Court. He submitted that, in the plaint, it was also claimed that the authorized dealers of Plasto are carrying their business within the jurisdiction of the learned Commercial Court.

36. He submitted that Plasto is also carrying its business through various e-commerce websites/online platforms like amazon.com, trade India, India Mart, and through its own interactive website.

37. He submitted that Ganesh Gouri itself had applied for the registration of the impugned mark 'GOURI AQUAPLAST' in identical label/traderess bearing no. 4833690 in Class I and 4833691 in Class XI of the TM Act and, therefore, the argument that the traderess/label being used by Ganesh Gouri is common to trade is baseless.

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38. He submitted that Plasto is the prior adopter, prior user and prior registered proprietor of the label / copyright. He submitted that Plasto has placed on record various documents in order to show its prior adoption, use and its registrations. He submitted that as per the own admission of Ganesh Gouri, they are the subsequent adopter of the impugned Trade Dress / Colour Combination.

39. He submitted that Ganesh Gouri itself has made contradictory claim of adoption and user of the impugned Label/Colour Combination. He submitted that in the Affidavit dated 15.01.2021, Ganesh Gouri, claimed that it had adopted the impugned Label/Colour Combination in July/August 2021, whereas in earlier Appeal FAO (Comm) No.18 of 2022, Ganesh Gouri had contended that it had adopted the impugned label in August 2019. He submitted that in the suit proceedings, Ganesh Gouri had appeared, and willingly gave an undertaking that it would not use the impugned label/trade dress/colour combination.

Conclusion

Maintainability of suit in Delhi

40. Ganesh Gouri contended that since Plasto had earlier filed a suit in Nagpur therefore the present suit is not maintainable in Delhi and the learned Trial Court has erred in entertaining the suit.

41. It is submitted that since both Ganesh Gouri and Plasto have their registered offices in Nagpur and Plasto has shown sales only through its dealers and online through its website.

42. It is the submission of Ganesh Gouri that the present suit is inextricably linked to the earlier suit filed before the Court at Nagpur



and thus the present suit by Plasto is only an act of forum shopping in order to obtain a favourable relief.

43. We are unable to agree with the contention of the Appellants.

44. It is trite that whenever there is a fresh cause of action, a fresh suit would lie. In the case of ***Allied Blenders and Distillers Pvt. Ltd. v. Amit Dahanukar*** : (2019) 261 DLT 692, wherein there were two suits – one before the Bombay High Court and a subsequent suit before the Delhi High Court – while the issue of infringement of a registered trademark was not raised before the Bombay High Court in the first suit, therefore, the second suit was maintainable before the Delhi High Court, yet the Delhi High Court showed deference to the orders in the first suit and rejected the injunction application.

45. However, it is pertinent to mention that in ***Allied Blenders and Distillers Pvt. Ltd. v. Amit Dahanukar*** (*supra*) case, the appeal against the interim injunction was pending before the Bombay High Court. The Delhi High Court, thus, in deference to the orders of the Bombay High Court, rejected the injunction application.

46. In the present case, however, not only does the earlier suit before the Court at Nagpur pertain to a different cause of action but the same has also been settled. A compromise decree was passed in terms of the settlement on 30.11.2018. As per the settlement, it was agreed that Ganesh Gouri will not use the mark 'PLASTO' or Plasto's tagline /slogan 'PLASTO HAI TOH GUARANTEE HAI' or any other mark similar to Plasto on any of their products which are similar to that of Plasto's. By way of the present suit before the Commercial Court, Plasto is seeking permanent injunction, restraining infringement, passing off, delivery up, and rendition of accounts etc.,



against Ganesh Gouri's from using in any manner in impugned label/

device/ colour scheme  and  in relation to their impugned goods and business of water storage tanks or any other trademark/label/artistic feature which is or which may be identical or deceptively similar to Plasto's mark. The present suit, therefore, is based on a fresh cause of action.

47. The competing marks for which the suit in Nagpur was filed are reproduced as under :



48. The competing marks for which the present suit is filed are reproduced as under:



49. It is the contention of Ganesh Gouri that Plasto should have filed the present suit before the Courts at Nagpur, where the earlier suit was instituted. However, we are of the opinion that merely because a Court has considered and decided the earlier suit does not mean that all subsequent cases too would necessarily have to be filed



before the same court. A fresh cause of action entitles a party to institute proceedings and both the parties are free to proceed against each other in any Court of law that has jurisdiction to hear such dispute. It is also pertinent to note that Plasto had disclosed the fact of filing earlier suit before the Court at Nagpur in the present suit before the learned Commercial Court and had also placed the settlement deed on record.

50. It is true that in a given case, the test of Safe Distance Rule may be applicable if after being interdicted from using a mark, the defendant makes only insubstantial changes to technically comply with the order. In such case, the party in whose favour the injunction is granted can institute proceedings for violation of the order. However, the Safe Distance Rule does not bar the plaintiff from filing a fresh suit.

51. In view of the same, this Court is of the opinion that the present proceedings cannot be held to be barred. In that light, we are in agreement with the view of the learned Commercial Court and do not find any ground to interfere with the same.

52. The other question to be decided is whether the Commercial Court at Delhi has the territorial jurisdiction to hear the suit.

53. A Division Bench of this Court in ***Kamdhenu Dreamz and Another v. Dina Iron and Steel Ltd*** : 2024 SCC OnLine Del 670 while placing reliance on ***Allied Blenders and Distillers Pvt. Ltd. v. Amit Dahanukar*** (*supra*) – reiterated that the considerations regarding territorial jurisdiction in the context of Order VII Rule 10 of the CPC are different from those under Order XXXIX Rules 1 & 2 of the CPC as under:



“23. We must make it clear that the considerations with regard to territorial jurisdiction in the context of Order VII Rule 10, CPC are entirely different from those in the context of an application under Order XXXIX Rules 1 & 2, CPC or in the context of an issue framed in the suit with regard to territorial jurisdiction. While in the backdrop of Order VII Rule 10, it is only the averments contained in the plaint that have to be seen in the case of an application for the grant of interim relief under Order XXXIX Rules 1&2, the contentions of the defendant in the reply to this application as also those contained in the written statement are required to be examined to arrive at a prima facie view. So, while in the case of an Order VII Rule 10 CPC application, the issue of jurisdiction is decided on the basis of what is stated in the plaint and, that too, after assuming the statements to be correct, an application under Order XXXIX Rules 1&2, CPC requires the examination of the contentions of the defendants that may be contained in the written statement and/or the reply to the application as also the other material which may be placed by the defendant before the court. Here, there is no question of considering the pleas of the plaintiff by way of a demurrer. Furthermore, the standards would be higher when an issue with regard to territorial jurisdiction is to be finally decided in the course of trial of the suit. Thus, while for the purposes of an examination under Order VII Rule 10, CPC, the court may come to the conclusion that it has territorial jurisdiction, this would not come in the way of the defendant in raising a question as to territorial jurisdiction, both when the issue of temporary injunction under Order XXXIX Rules 1 & 2, CPC is being considered and when an issue as to territorial jurisdiction is being decided in the course of trial of the suit.”

54. Further, a Division Bench of this Court in **WWE Inc. v. M/s Reshma Collection** (*supra*) observed as under:

21. “.....Because of the advancements in technology and the rapid growth of new models of conducting business over the internet, it is possible for an entity to have a virtual presence in a place which is located at a distance from the place where it has a physical presence. The availability of transactions through the website at a particular place is virtually the same thing as a seller having shops in that place in the physical



world. Let us assume for the sake of argument that the appellant/plaintiff had a shop in Delhi from where it sold its various goods and services. In that case, it could not be denied that the plaintiff carried on business in Delhi. This is apart from the fact that the appellant/plaintiff may also have been regarded as having voluntarily resided in Delhi. When the shop in the 'physical sense' is replaced by the 'virtual' shop because of the advancement of technology, in our view, it cannot be said that the appellant/plaintiff would not carry on business in Delhi."

55. Further, in **V. Guard Industries Ltd. v. Sukan Raj Jain and Another : 2021 SCC OnLine Del 3625**, the learned Single Judge of this Court while dealing with the question of jurisdiction with respect to Section 20 of the CPC and Section 134 of the TM Act observed as under:

"36. If under Section 20 CPC, jurisdiction of the Court is attracted by virtue of location of the defendant's place of business or from where the defendant is carrying on its business or working for gain, under Section 134 of the Trade Marks Act, it is the plaintiff's office location or from where he is carrying on business, is a material factor. However, in IPRS (SC) (Supra), the occurrence of cause of action has been read into Section 134 of the Trade Marks Act, as a determining factor, even though not spelt out in the language, on the lines of Section 20 CPC. Therefore, if some part of cause of action has arisen at a place where the plaintiff has its branch/subordinate office, Courts at that place will have jurisdiction to entertain a suit against infringement and passing off. In other words, the occurrence of cause of action or any part thereof, at a place, is held to be a determining factor, both under Section 20 CPC, and Section 134 of the Trade Marks Act, to attract jurisdiction of the court at such place."

56. It is well settled that while deciding the issue of jurisdiction in an application under Order XXXIX Rules 1 & 2 of the CPC, the standard would be higher in as much as an examination of contentions



of defendants in the written statement and/or reply to the application as well as other material placed before the Court would also be required.

57. Further, given the advancement in technology, having a virtual business presence in a jurisdiction would be akin to having a physical presence, as was also observed by a Division Bench of this Court in **WWE Inc. v. M/s Reshma Collection (supra)**. Plasto / Plaintiff has specifically pleaded that its goods are manufactured in India and are sold, marketed, distributed all across the country, and are also exported world-wide through its interactive website and other e-commerce platforms. Further, in the plaint, it is also stated that Plasto / Plaintiff is selling its goods, within the territorial jurisdiction of the learned Commercial Court, through its various dealers / distributors namely, M/s Sunita Sanitary, A. Narula Sanitary Traders, and M/s Bajaj Traders. Given the specific averment that Plasto has physical and virtual business presence in the jurisdiction of the Commercial Court through e-commerce websites online platforms like amazon.com, trade India, India Mart, and through its own interactive website coupled with the averments made in the plaint regarding jurisdiction, we do not find any reason to interfere with the impugned order of the learned Commercial Court in this regard.

Deceptive Similarity

58. The learned Commercial Court in the impugned order has noted that all though Plasto has not been able to make a case for passing off, but had made out a case for grant of interim injunction in respect of infringement of its copyrights in artistic work involved in its registered trademark/ device/ label /trade dress / colour scheme.



59. The infringement action is governed by Section 29 of the TM Act. In terms thereof, the plaintiff alleging infringement has to establish that the mark used by the defendant is identical or similar to its registered trademark and is being used on goods or services which are also identical or similar. It is presumed that if the identical or similar mark is used on identical or similar goods, the same is likely to cause confusion on the part of consumer public.

60. Section 29 of the TM Act reads as under:

“ 29. Infringement of registered trade marks

“(1) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which is identical with, or deceptively similar to, the trade mark in relation to goods or services in respect of which the trade mark is registered and in such manner as to render the use of the mark likely to be taken as being used as a trade mark.

(2) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which because of—

a. its identity with the registered trade mark and the similarity of the goods or services covered by such registered trade mark; or

b. its similarity to the registered trade mark and the identity or similarity of the goods or services covered by such registered trade mark; or

c. its identity with the registered trade mark and the identity of the goods or services covered by such registered trade mark, is likely to cause confusion on the part of the public, or which is likely to have an association with the registered trade mark.

(3) In any case falling under clause (c) of sub-section (2), the court shall presume that it is likely to cause confusion on the part of the public.

(4) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which

a. is identical with or similar to the registered trade mark; and



b. is used in relation to goods or services which are not similar to those for which the trade mark is registered; and

c. the registered trade mark has a reputation in India and the use of the mark without due cause takes unfair advantage of or is detrimental to, the distinctive character or repute of the registered trade mark.

(5) A registered trade mark is infringed by a person if he uses such registered trade mark, as his trade name or part of his trade name, or name of his business concern or part of the name, of his business concern dealing in goods or services in respect of which the trade mark is registered.

(6) For the purposes of this section, a person uses a registered mark, if, in particular, he—

(a) affixes it to goods or the packaging thereof;

(b) offers or exposes goods for sale, puts them on the market, or stocks them for those purposes under the registered trade mark, or offers or

supplies services under the registered trade mark;

(c) imports or exports goods under the mark; or

(d) uses the registered trade mark on business papers or in advertising.

(7) A registered trade mark is infringed by a person who applies such registered trade mark to a material intended to be used for labelling or packaging goods, as a business paper, or for advertising goods or services, provided such person, when he applied the mark, knew or had reason to believe that the application of the mark was not duly authorised by the proprietor or a licensee.

(8) A registered trade mark is infringed by any advertising of that trade mark if such advertising—

(a) takes unfair advantage of and is contrary to honest practices in industrial or commercial matters; or

(b) is detrimental to its distinctive character; or

(c) is against the reputation of the trade mark.

(9) Where the distinctive elements of a registered trade mark consist of or include words, the trade mark may be infringed by the spoken use of those words as well as by their visual representation and reference in this section to the use of a mark shall be construed accordingly.”



61. It is clear that to establish a case of infringement of a registered trademark under Section 29(2) of the TM Act, it is to be established that the mark used by the defendant is not only identical or similar to the registered trademark but also that the goods and services, on which the defendant is using its mark, are also identical or similar, which is likely to cause confusion on the part of the general public or is likely to have an association with the registered trademark.

62. In the present case, it is not in dispute that the competing marks are used on the similar products, that are, water tanks and other plumbing allied goods. The very fact that the impugned marks are being used on similar types of goods is not sufficient to presume that there is likelihood of confusion unless the marks are identical or similar.

63. It is settled that in any action for the infringement of the trademarks, the question of similarity of the two marks is to be addressed first. The Hon'ble Apex Court, in the case of ***Amritdhara Pharmacy v. Satya Deo Gupta* : AIR 1963 SC 449**, has held as under:

"You must take the two words. You must judge them, both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of those trade-marks is used in a normal way as a trade mark for the goods of the respective owners of the marks."

64. In relation to the infringement actions where the competing marks are composite logos, it has been held that the mark has to be seen as a whole. The overall mark without minutely comparing the similarities or dissimilarities has to be considered. The test, therefore,



when the competing marks are words, is to some extent different when the marks are logos. In the case of logos, the test is that the rival mark should bear a very close resemblance when seen as a whole. Therefore, the test is not that one feature of the logo is similar or identical to one feature of the competing mark but the mark as a whole should be similar or identical. The Court has to consider the overall presentation of the two marks.

65. It has also been held in several decisions that it is not right to take a portion of the mark and compare it with the corresponding portion of the competing mark. The appropriate test is whether the totality of the alleged infringing trademark is such, that it is likely to cause deception or confusion in the minds of the persons accustomed to the existing trademark.

66. It is also settled that the question whether there is any deceptive similarity between the two marks is to be determined by examining the marks as a whole. The conflicting marks are to be compared by looking at them in its entirety, rather than breaking the marks into parts for a comparison. It is though permissible, to give importance to the dominant feature of the composite mark. The examination of the dominant part of the trademark for the purpose comparing it with the conflicting mark is for determining whether the marks are deceptively similar when viewed as a whole. Therefore, it is not permissible to hold a mark as deceptively similar by examining a portion of the mark and comparing it with the portion of another mark when the composite marks, when viewed as a whole, are dissimilar.



67. This Court in a recent decision in the case of **Vasundhra Jewellers Pvt. Ltd. v. Kirat Vinodbhai Jadvani & Anr. : 2022:Delhi High Court:4255-DB**, has held as under:

*“31. In **Pinto v. Badman: (8) RPC (181)**, Lord Esher had observed that “the truth is that the label does not consist of each particular part of it, but consists of the combination of them all”. In **Registrar of Trade Marks v. Ashok Chandra Rakhit Ltd: AIR 1955 SC 558**, the Supreme Court had referred to the aforesaid observation and held as under:-*

“14. It is true that where a distinctive label is registered as a whole, such registration cannot possibly give any exclusive statutory right to the proprietor of the trade mark to the use of any particular word or name contained therein apart from the mark as a whole.....”

*32. It is well settled that a composite trademark or label trademark is not required to be dissected to determine whether there is any deceptive similarity with another trademark. The question whether there is any deceptive similarity between two trademarks has to be ascertained by examining the marks in question as a whole. In **South India Beverages India Private Limited v. General Mills Marketing Inc: 2014 SCC OnLine Del 1953**, the Division Bench of this Court had explained the ‘anti-dissection rule’ in some detail. The Court reiterated that “conflicting composite marks are to be compared by looking at them as a whole, rather than breaking the marks up into their components parts for comparison”. However, the Court had also observed that “while a mark is to be considered in entirety, yet it is impermissible to accord more or less importance or ‘dominance’ to a particular portion or element of a mark in cases of composite marks”.*

33. Having stated the above, it is also necessary to bear in mind that examining the dominant part of the trademark for comparing it with the conflicting mark is solely for the purpose of determining whether competing marks are deceptively similar when viewed as a whole. It is, thus, not permissible to hold that two competing marks are deceptively similar by examining a portion of one mark and comparing it



with the portion of another mark, if the composite marks viewed as a whole are dissimilar. It is relevant to refer to the text from **McCarthy on Trademarks and Unfair Competition**, which explains the said principle as under:-

“23.15 Comparing Marks : Differences v. Similarities

[1] The Anti-Dissection Rule

[a] Compare composites as a Whole : Conflicting composite marks are to be compared by looking at them as a whole, rather than breaking the marks up into their component parts for comparison. This is the “anti dissection” rule. The rationale for the rule is that the commercial impression of a composite trademark on an ordinary prospective buyer is created by the mark as a whole, not by its component parts. However, it is not a violation of the anti- dissection rule to view the component parts of conflicting composite marks as a preliminary step on the way to an ultimate determination of probable customer reaction to the conflicting composites as a whole. Thus, conflicting marks must be compared in their entirety. A mark should not be dissected or split up into its component parts and each part then compared with corresponding parts of the conflicting mark to determine the likelihood of confusion. It is the impression that the mark as a whole creates on the average reasonably prudent buyer and not the parts thereof, that is important. As the Supreme Court observed: “The commercial impression of a trademark is derived from it as a whole, not from its elements separated and considered in detail. For this reason it should be considered in its entirety.” The anti-dissection rule is based upon a common sense observation of customer behavior : the typical shopper does not retain all of the individual details of a composite mark in his or her mind, but retains only an overall, general impression created by the composite as a whole. It is the overall impression created by the mark from the ordinary shopper's cursory observation in the marketplace that will or will not lead to a likelihood of confusion, not the impression created from a meticulous comparison as expressed in carefully weighed analysis in legal briefs. In litigation over the alleged similarity of marks, the owner will emphasize the similarities and the alleged infringer will emphasize the differences. The point is that the two marks should not be examined with a microscope to find the differences, for this is not the way the average purchaser views the marks. To the average buyer, the points of similarity



are more important than minor points of difference. A court should not engage in “technical gymnastics” in an attempt to find some minor differences between conflicting marks. However, where there are both similarities and differences in the marks, there must be weighed against one another to see which predominate. The rationale of the anti-dissection rule is based upon this assumption: “An average purchaser does not retain all the details of a mark, but rather the mental impression of the mark creates in its totality. It has been held to be a violation of the antidissection rule to focus upon the “prominent” feature of a mark and decide likely confusion solely upon that feature, ignoring all other elements of the mark. Similarly, it is improper to find that one portion of a composite mark has no trademark significance, leading to a direct comparison between only that which remains.”

(emphasis supplied)

68. The question is to be approached from the point of view of a man of average intelligence and imperfect recollection for whom the overall structural and phonetic similarity of the two marks is likely to cause confusion.

69. There is no dispute that the question as to whether there is any deceptive similarity between the competing marks, which are not identical, is to be determined by comparing the competing marks as a whole to discern that any similarity in the mark(s) in question is likely to cause confusion or deceive a reasonable man [Ref: ***Kaviraj Pandit Durga Dutt Sharma v. Navaratna Pharmaceutical Laboratories: (1965) 1 SCR 737***].

70. At the same time, it is permissible to determine a prominent essential feature of the mark to see whether the same is deceptively similar to the prominent essential feature of the competing mark. It is though not clear from the impugned order, but as argued by the learned counsel for Plasto, the word ‘PLAST’ appearing in both the



marks is considered as an essential and significant feature of the mark of Plasto / plaintiff. However, the learned Commercial Court, in our opinion, erred in holding that the impugned mark/ label of Ganesh Gouri / defendant as a whole is deceptively similar to the essential feature of the plaintiff's / Plasto's mark.

71. In the present case, the injunction passed by the learned Commercial Court against use of the labels of Ganesh Gouri, being –



and



, for being similar to that of



the label of Plasto, being – , is completely misplaced.

72. In the present case, as discussed above, the learned Commercial Court fell into error by granting an injunction in favour of Plasto merely on the basis of certain common factors even though the labels of the parties are clearly distinctive in nature when seen as a whole.

73. On a bare perusal of the labels, it can be said that there is no commonality in the labels apart from the background colour being blue and the font colour being white and the appearance of the word “PLAST” and “PLASTO” in the labels.

74. The labels, when compared as whole, can be said to be distinctive of each other as the mark of Ganesh Gouri bears the mark of ‘G’ with a hand symbol as its prominent mark whereas the label of Plasto has the word – ‘PLASTO’ in a particular font as its prominent feature.



75. As noted above, the only common feature in both the works is the word “PLAST” which is admittedly a derivative of the word Plastic. Ganesh Gouri uses a prefix “AQUA” with “PLAST”. The mark also contains a graphical representation or alphabet ‘G’ which is styled as “Okay” in a hand gesture enclosed with three wavering lines indicating liquid. It also shows the word “Gouri” and a Tagline “NAAM HI KAAFI HAI” in Hindi with additional words being “Tanks, Pipe and Fitting”. The same cannot be called as a colourable



imitation or substantial reproduction of the mark.

76. The appellant is not using the word ‘PLAST’ as a sole mark but the same is accompanied with other essential features. It is also not denied that pursuant to the settlement arrived between the parties in the earlier suit filed before the Nagpur Court, Plasto /plaintiff had undertaken not to take any objection for the registration of any mark, logo or word by the appellant consisting of the word ‘PLAST’ or the use of the mark ‘AQUA PLAST’. The relevant terms of the settlement dated 21.02.2019 are set out below:

“d. The Plaintiffs agrees that it would have no issue if the Defendant wishes to use the mark "AQUA PLAST" device/logo and/or wither word per se or in any other representation which is neither identical nor deceptively similar to the said trademark/label of the plaintiff in the course of its business.

e. That the plaintiff undertakes not to take any objection for Registration of any mark logo/ word by defendant consisting of the word "PLAST" if the same is not infringing the logo/ word/ mark of the plaintiff in any whatsoever, and if any such objection is already raised than the same shall be withdrawn by the plaintiff forthwith.”



77. Thus, when admittedly Plasto / Respondent had no objection on the appellant / Ganesh Gouri using the word 'PLAST' or 'AQUA PLAST' in its logo / mark, no interim injunction can be sought alleging infringement when the said words are used in conjunction with other features.

78. The other ground on which the objection in regard to use of the impugned label by the appellant is taken – is the background colour being used in both the competing marks, that is, Sky Blue and font colour being White. A person cannot claim monopoly on use of a colour unless, the same used in a particular configuration with attended features has acquired secondary meaning and serves as a source identifier for the purpose of protection and registration. The marks with 'Blue' colour background are used in relation to water tanks. It is a common knowledge that 'Blue' is a colour often associated with water.

79. The test in the present case would be to see the mark as a whole and as noted above, the only common feature in both the marks is the appearance of the word 'PLAST' which admittedly, is a derivative of 'plastic' – of which the products of both the parties are made of. The mark, therefore, when seen as a whole even with the common background colour, cannot be considered as similar so as to cause confusion in the mind of the consumer. Moreover, no evidence has been placed on record to *prima facie* indicate that the consumer public has been confused in any manner by the use of the impugned label by the appellant. The same would be tested after evidence is led.

80. The pictorial device used by Ganesh Gouri, therefore, *prima*



facie, cannot be held to be similar to Plasto's pictorial device. Thus, *prima facie*, Plasto's trademark is not infringed under the provisions of Section 29 of the TM Act.

81. There is no cavil as to the principles laid down by the Hon'ble Courts in the judgments relied upon by the learned Counsel for the respondent. The same, however, in our opinion, are not applicable to the facts of the present case. The judgements are passed in relation to the marks which are in dispute in the said cases, however, it is well settled that the trademark is to be looked at its entirety.

82. It is well settled that an Appellate Court would normally not interfere with the *prima facie* view of the learned Trial Court unless it finds that the Trial Court has exercised the jurisdiction arbitrarily, capriciously or in ignorance of the settled principle of law. In this case, we find that the learned Commercial Court has erred in finding that the competing marks / labels are similar and Plasto's trademarks are infringed merely on the on the basis of appearance of parts of those marks, without considering the overall commercial impression of the competing marks.

83. It is true that the Court, while hearing an appeal against an interim order ought not to disturb the *prima facie* findings, however, the Appellate Court can substitute its own discretion when it is found that the Trial Court has exercised the jurisdiction arbitrarily, capriciously or in ignorance of settled principles of law relating to grant of injunction. In the present case, the learned Commercial Court, in our opinion, has not followed the settled principles of law relating to the grant of injunction and the law in relation to



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infringement when it relates to a mark / label containing a pictorial device.

84. In view of the above, we are of the opinion that the learned Commercial Court erred in holding that Ganesh Gouri's mark / label is deceptively similar to that of Plasto's mark / label, by comparing features of a part of a device mark without reviewing the overall commercial impression of the impugned mark(s) / label(s).

85. In view of the above, the impugned judgment is set aside.

86. We make it clear that the observations made in the present order are only, *prima facie*, for the purpose of deciding the present appeal against the impugned order passed in the application under Order XXXIX Rule 39 (1) & (2) of the CPC.

AMIT MAHAJAN, J

VIBHU BAKHRU, J

AUGUST 05, 2024

Signature Not Verified

Digitally Signed
By: HARMINDER KAUR
Signing Date: 07.08.2024
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