HIGH COURT OF JUDICATURE FOR RAJASTHAN
BENCH AT JAIPUR

S.B. Civil Miscellaneous Appeal No. 535/2022

Vankon Modular Private Limited, Registered Address At S.No.72 And 74, Gala No. 4 and 5, Ground Floor, Plot No. 22, Meghdoot Signature, Vasai Road, East Thane, Maharashtra-401208 through Authorized Signatory Bhagwandas Goklani,

----Appellant-plaintiff

Versus

Vanton Switchgears and Cables, Office At WS-1, Malviya Naar Ind. Area, Near K.S. Ford Service Centre, Malviya Nagar Rajasthan 302017 through Authorized Signatory Daulatram Lalwani,

----Respondent-defendant

For Appellant(s)	:	Mr. Jitendra Mitrucka
For Respondent(s)	:	Mr. Ashwani Kumar Gupta

HON'BLE MR. JUSTICE SUDESH BANSAL

Order

31/01/2023

1. The instant civil misc. appeal under Section 43 Rule 1 CPC has been filed by appellant-plaintiff, feeling aggrieved by the order dated 10.2.2022 passed by the Additional District Judge No.10, Jaipur Metro-I, Headquarter Sanganer, District Jaipur, dismissing the application for temporary injunction.

2. Heard counsel for both parties, perused the impugned order and material available on record.

3. It appears that appellant-plaintiff instituted a civil suit for permanent injunction along with an application for temporary injunction under Section 134 of the Trade Marks Act, 1999 (hereinafter referred as "the Act of 1999") against respondent-defendant for infringement of its registered trademark in brand name "VANKON" under different classes i.e. 7, 9, 11, 21 and 35. The main dispute is in respect of infringement of trademark under

class 9, wherein plaintiff has got registered its trademark in the brand name "VANKON" having registration No.2823109 dated 9.10.2014. Respondent-defendant has got registered its trademark in brand name "VANTON", under class 9 having registration No.3293881 dated 25.6.2016. In respect of other classes i.e. 7, 11, 21 and 35, counsel for respondent-defendant has stated that neither defendant has got any registration nor doing any business for appliances of such classes.

4. Plaintiff instituted the present suit along with application for temporary injunction on 23.7.2021 and admitted in para 11 of the suit that in the year 2020, plaintiff came to know that defendant is selling the products in market which are similar to plaintiff's product, plaintiff has moved rectification application on 3.2.2021 in respect of registered trademark of defendant. Plaintiff alleged that he has engaged in the business of Manufacturing/ Marketing /Trading /Service Provider of Apparatus, Appliances, Installation for Lighting, Steam Generating, Cooking, Refrigerating, Drying, Ventilating, Water Supply and Sanitary Purposes, Ceiling Lights, Flashlights (Torches), Electric Lamps, Light Bulbs, Electric Kettles, Kitchen Ranges (Ovens), Microwave Ovens (Cooking Apparatus), Roasters, Safety Lamps, Drying Apparatus and Installation, Cooking Apparatus and Installation, Bread Toasters, Coffee Machines Electric Installation for Heating and Lighting and among above the main products of the opponent are Wires, Cables and Switches included in Class 9 since 22.4.2008 and have been carrying on their business under the name and style of M/s Vankon Modular Private Limited and are popularly known for their brand name "VANKON" in the market.

Plaintiff pleaded that the trademark was originally conceived and honestly adopted by it in the year 2008 after a thorough search from the market that no such marks was in use or in existence for above mentioned products and since then, the said trademark has been used by it honestly, continuously and uninterruptedly. It was pleaded that defendant firm is proprietorship firm of Mr. Daulatram Lalwani, who was an ex employee of plaintiff-Company and by misusing the trade secret of plaintiff-Company, defendant started infringing the registered trademark of plaintiff under class 7, 9, 11, 21 and 35. It was further pleaded that plaintiff-Company came to know about infringement of its trademark in the year 2021 that defendant is using the trademark name of "VANTON" since 2016 onwards and trade name of defendant is deceptively similar to the trade name of plaintiff "VANKON", therefore, defendant be injuncted by way of permanent injunction not to use and mark its product in the name of "VANTON". Similar prayer has been made in the application for temporary injunction.

5. Respondent-defendant has filed reply to the application for temporary injunction and contended that its trade name "VANTON" is wholly different from plaintiff's trade name and there is no similarity in the logo at all.

The Logo of plaintiff's-Company is:



The Logo of defendant's-Company is:



Further defendant denied the use of trade name "VANKON" by plaintiff since 2008 and contended that since defendant is using

its trade name since 2016, therefore, application for temporary injunction filed after expiry of 5 years suffers from delay and latches and as such the same is liable to be dismissed.

Defendant also raised objection that application for temporary injunction is liable to be dismissed in view of Section 124 of the Act of 1999, since the issue in respect of rectification/invalidity of trade name of defendant is pending before the Registrar of Trade Mark.

6. The learned Trial Court after hearing counsel for both parties and perusal of material on record as also taking into consideration the logo of trademark of both parties as well as appreciating the scope of Section 124 of the Trade Mark Act, dismissed the application for temporary injunction taking note that the plaintiff has already moved application for rectification of registered trademark of defendant "VANTON" prior to filing of the present suit and application for temporary injunction dated 23.7.2021.

7. Feeling aggrieved by the impugned order dated 10.2.2022, appellant-plaintiff has filed the instant appeal.

8. At the outset from para 11 of the plaint, it is clear that plaintiff-Company has come to know in the year 2020 that defendant-Company is selling products which are deceptively similar to the plaintiff-Company and thereby infringing the plaintiff's legal right. Thereafter plaintiff-Company has instituted present suit for injunction on 23.7.2021. In reply of the application for temporary injunction, defendant has pleaded in para 8 that defendant-Company is continuously indulged and carrying on its business of manufacturing and selling products in the open market under trademark "VANTON" since year 2016

onwards, which is well within knowledge of the plaintiff-Company as well. There is no rejoinder of plaintiff to such pleadings of defendant. Although, plaintiff has pleaded that trademark "VANKON" being used from 2008 onwards and has produced its registration certificate dated 9.10.2014 but plaintiff has not produced any substantive evidence/material on record to prove that he is carrying on business of manufacturing and selling of products by using the trade name "VANKON" in the open market since 2008 onwards. Counsel for appellant has made an effort that defendant has admitted this fact in reply of the application for temporary injunction, but there is no such admission of defendant. Therefore, it is matter of evidence that since when plaintiff started to use trademark "VANKON", for his business in the market. Mere producing the certificate of registration dated 9.10.2014 and brochure is not suffice to prove the factum of carrying on business since 2008. Further plaintiff has not denied the contention of defendant that defendant is indulged in business in the name of "VANTON" and he is using this trademark since year 2016 onwards continuously in the market. It is true that defendant too has to prove its contention by way of evidence during trial, as per material on record at the time of deciding application for temporary injunction, this Court finds it difficult to prima facie observe that any finding that plaintiff is carrying on business in market by using the trademark "VANKON" since 2008 prior to using the trade name "VANTON" by defendant from 2016. These issues are mater of evidence, which can be decided after evidence led by both parties. That apart, it appears that plaintiff has instituted the present civil suit for injunction on 23.7.2021,

despite of having knowledge in the year 2020 and as such there is delay on the part of plaintiff to claim the temporary injunction.

9. Counsel for appellant-plaintiff has placed reliance on the judgment of **Maheshwari Tea Co. Pvt. Ltd. Vs. M/s Vijay Agencies [2016 (2) DNJ (Raj.) 961]** wherein the injunction was granted restraining the defendant from using the trademark "Maleshwari" which was found deceptively similar to plaintiff's trademark "Maheshwari" but in that case, the Court observed that plaintiff has proved that he is using trademark "Maheshwari" since 2003. In the case at hand, plaintiff has not proved that he is using trademark "VANKON" since 2008 in the market. Therefore, this judgment does not render any help to plaintiff.

10. Counsel has placed reliance on another judgment passed in case of **Toyota Jidosha Kabushiki Kaisha Vs. Prius Auto Industries Limited [(2018) 2 SCC 1]**, the Hon'ble Supreme Court expounded principle that passing off action can even lie against the registered proprietor of mark sued upon. There is no disagreement with the proposition of law but same is not applicable to facts of present case, as plaintiff-Company though has a registered trademark "VANKON" but has not proved that same is being used in the market since 2008, prior to defendant's product. At this stage, this Court is not expressing any opinion on merits in respect of the issue of prior user, but as per the material available on record, prima facie, has not find any material, except the registration certificate and brochure of plaintiff-Company to show that plaintiff-Company is using the trademark "VANKON" in market since 2008. Thus, this judgment does not render any support to plaintiff's case for squaring temporary injunction.

11. During the course of arguments, counsel for both parties have not disputed that plaintiff has registration of trademark "VANKON" and defendant has registration of trademark "VANTON". Plaintiff has already filed objections on 3.2.2021 in respect of registered trademark of defendant it means prior to institution of present suit on 23.7.2021. However, this fact has not been pleaded in clear terms by plaintiff. Learned trial Court, directed the plaintiff to implead Registrar of Trademark as party and after impleadment of Registrar of Trademark, he has produced a letter dated 17.12.2021 that objections in respect of registered trademark of defendant "VANTON" is pending and such objections have not been decided finally. Counsel for appellant-plaintiff does not dispute this factual aspect. Further the defendant in para 7 of his reply to the application for temporary injunction has stated that against the trademark of plaintiff, one "Veto Switchgears and Cables Limited", has moved a rectification before the Registrar of Trademark and same is pending. Plaintiff has not countered this assertion of defendant nor has filed any rejoinder denying such assertion, therefore, this Court finds that the trial Court has not committed any illegality and jurisdictional error in not allowing the application for temporary injunction taking resort to provisions of Section 124 of the Act of 1999.

12. The judgment passed by the Hon'ble Supreme Court in case of **Patel Field Marshal Agencies Vs. P.M. Diesels Limited [(2018) 2 SCC 112]**, wherein provisions of the Trade and Merchandise Mark Act, 1958 were discussed, which has been substituted by the Act of 1999. Section 111 of the Act of 1958 is pari materia to Section 124 of the Act of 1999. The ratio of law in

respect of issue that where the issue of invalidity is raised or arises independent of a suit, the prescribed statutory authority will be the sole authority to deal with the matter, has been discussed and decided. This Court is of the opinion that the ratio of law decided in this judgment, is not in quarrel in any manner but for the discussion made hereinabove by this Court, merely on account of fact that plaintiff has not pleaded in respect of invalidity of the trademark of defendant in his plaint, though plaintiff himself admits to file objection against the trademark of defendant before the Registrar of Trademark on 3.2.2021, much prior to filing of the present civil suit for injunction on 23.7.2021 plaintiff cannot escape from the rigor of Section 124 of the Act of 1999. Thus, the resort on the judgment passed in Patel Field Marshal Agencies (supra) is of no help to the plaintiff.

13. In the celebrated judgment of the Hon'ble Supreme Court in **Wander Ltd. Vs. Antox India [1990 (Supp) SCC 727]** while dealing with the scope of temporary injunction in respect of passing of action for the trademark, the Hon'ble Supreme Court has opined in para 9 as under:

> "9. Usually, the prayer for grant of an interlocutory injunction is at a stage when the existence of the legal right asserted by the plaintiff and its alleged violation are both contested and uncertain and remain uncertain till they are established at the trial on evidence. The court, at this stage, acts on certain well settled principles of administration of this form of interlocutory remedy which is both temporary and discretionary. The object of the interlocutory injunction, it is stated
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> > "….is to protect the plaintiff against injury by violation of his rights for which he could not adequately be compensated in damages recoverable in the action if the uncertainty were resolved in his favour at the trial. The need for such protection must be weighed against the corresponding need of the defendant to be protected against injury resulting from his

> having been prevented from exercising his own legal rights for which he could not be adequately compensated. The court must weigh one need against another and determine where the 'balance of convenience' lies."
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> The interlocutory remedy is intended to preserve in status quo, the rights of parties which may appear on a prima facie case. The court also, in restraining a defendant from exercising what he considers his legal right but what the plaintiff would like to be prevented, puts into the scales, as a relevant consideration whether the defendant has yet to commence his enterprise or whether he has already been doing so in which latter case considerations somewhat different from those that apply to a case where the defendant is yet to commence his enterprise, are attracted."

14. The Hon'ble Supreme Court in **Gujarat Bottling Co. Ltd. Vs. Coca Cola Co. [(1995) 5 SCC 545],** has held as under:

> "43. The grant of an interlocutory injunction during the pendency of legal proceedings is a matter requiring the exercise of discretion of the court. While exercising the discretion the court applies the following tests - (i) whether the plaintiff has a prima facie case; (ii) whether the balance of convenience is in favour of the plaintiff; and (iii) whether the plaintiff would suffer an irreparable injury if his prayer for interlocutory injunction is disallowed. The decision whether or not to grant an interlocutory injunction has to be taken at a time when the existence of the legal right assailed by the plaintiff and its alleged violation are both contested and uncertain and remain uncertain till they are established at the trail on evidence. Relief by way of interlocutory injunction is granted to mitigate the risk of injustice to the plaintiff during the period before that uncertainty could be resolved. The object of the interlocutory injunction is to protect the plaintiff against injury by violation of his right for which he could not be adequately compensated in damages recoverable in the action if the uncertainty were resolved in his favour at the trial. The need for such protection has, however, to be weighed against the corresponding need of the defendant to be protected against injury resulting from his having been prevented from exercising his own legal rights for which he could not be adequately compensated. The court must weigh one need against another and determine where the 'balance of convenience' lies."

15. The other ingredients in respect of irreparable loss and balance of convenience also go against plaintiff as this Court has

already discussed the factual aspect and delay on the part of plaintiff as well as the fact that defendant claims to use the trademark "VANTON" since 2016 onwards which has not been rebutted by the plaintiff. In such factual matrix non grant of temporary injunction in favour of plaintiff, does not lead to such irreparable loss which cannot be compensated in terms of money, in case plaintiff succeed in the suit finally and similarly no balance of convenience lie in favour of plaintiff.

16. As far as claim for temporary injunction by the plaintiff in respect of its product for Class 7, 11, 21 and 35 wherein plaintiff claims to have registration before the Registrar of Trademark, counsel for defendant has stated that defendant-Company is not indulged in business of products of such classes, therefore, no injunction is required to be issued against defendant.

17. For the discussion made hereinabove and reasoning discussed in foregoing paras, this Court is not inclined to interfere with the impugned order dated 10.2.2022 and accordingly the appeal stands disposed of with observations made hereinabove.

18. It is made clear that findings/opinion of this Court would not affect the case of either parties on merits and the suit would be decided on merits after appreciation of respective evidence adduced by both parties, without being influenced by this order and dismissal of temporary injunction application of plaintiff.

19. Stay application and other pending application(s), if any, also stand disposed of.

(SUDESH BANSAL),J

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