

MANU/DE/0168/1999

Equivalent Citation: 1999IVAD(Delhi)281, 79(1999)DLT617, (1999)ILR Delhi410

IN THE HIGH COURT OF DELHI

I.A.No. 986/98 and in Suit No. 212 of 1998

Decided On: 12.05.1999

Appellants:**Lloyd Insulations (India) Limited**
Vs.

Respondent: **Punj Lloyd Insulation Pvt. Ltd.**

Hon'ble Judges/Coram:

Mohd.. Shamim, J.

Counsels:

For Appellant/Petitioner/plaintiff: Mr. Mukul Rohatgi, Senior Advocate, and Mrs. Pratibha M. Singh, Adv

For Respondents/Defendant: Mr. R.K. Anand, Senior Advocate Messrs J.P. Sengh and Amiet Andley Adv.

Subject: Intellectual Property Rights

Acts/Rules/Orders:

Code of Civil Procedure, 1908 (CPC) - Order XXXIX Rules 1, Code of Civil Procedure, 1908 (CPC) - Order XXXIX Rules 2

Cases Referred:

Aerators Limited v. Tollitt [(1902) 2 Chancery 319]; Asiatic Government Security Life Assurance Co. Ltd. v. New Asiatic Insurance Co. Ltd. AIR 1939 Madras 555; Baker Nughes Limited v. Hiroo Khushalani, 1998 PTC (18) 580; Cleaning Services, Ltd. v. Westminster Window & General Cleaners, Ltd, (1946) R.P.C. 39; Credit Management Company Limited v. Credit Management, (1961) RPC 157; Carew Phipson v. Deejay Distilleries Pvt. Ltd. decided on February 15, 1994; Hotel Limited v. Trans-world Hotels Limited, (1972) RPC 27; M/S K.G. Khosla Compressors Ltd. & Others v. M/s Khosla Extration Ltd., and Others, (1986) PTC 211; J.R. Kapoor v. Micronix India, 1994 Supp (3) SCC 215; McCain International Limited v. Country Fair Foods Limited And Another, (1981) RPC 69; Hawtin, (E.V.) Ltd. v. Hawtin (John. F.) & Coy. Ltd., (1960) RPC 9; Parker & Son (Reading) Limited v. Parker, (1965) RPC 323; M/s Mahalaxmi Jewellers & Another v. M/s Mahalaxmi Jewellers of Chakwal, (1981) PTC 197; Mahindra & Mahindra Ltd. v. Mahendra & Mahendra Paper Mills Ltd., Suit No. 4007/98; Montari Overseas Ltd. v. Montari Industries Ltd., 1996 PTC 143; M/s Regency Industries Ltd. v. M/s Kedar Builders, (1990) PTC 1; Smt. S. Charat Ram v. M/s Usha Rectifier, 1996 PTC (16) 610

Case Note:

a) It was held that dealing with very big industrial houses including the multinational companies could not create any confusion and misrepresentation for the purpose of passing off under Section 27(2) and 106 of the Trade and Merchandise Marks Act, 1958

b) The case debated on whether the use of fancy word could create confusion resulting in passing off action under Section 27(2) and 106 of the Trade and Merchandise Marks Act, 1958 – It was held that in case a fancy word was shown as part of a name then the same was distinctive per se and in case the other trader had taken the same word as part of his trade name with a slight variation then the same could be said to have created confusion among the consumers

c) It was held that exclusive right to use the word of a particular language can be claimed under Section 27(2) and 106 of the Trade and Merchandise Marks Act, 1958, in certain cases, where it is shown that the ordinary word of a particular language has acquired a secondary meaning and has lost its primary meaning in that language

d) It was held that the plaintiff was required to show that the case was related to fraud of passing off under Section 27(2) and 106 of the Trade and Merchandise Marks Act, 1958, as he had alleged the fraud

e) The case dealt with a petition filed under Rule 1 and 2 of Order 39 of the Civil Procedure Code, 1908, for passing off under Section 27(2) and 106 of the Trade and Merchandise Marks Act, 1958 – The plaintiff was carrying out his business under the name 'Lloyd Insulations (India)' and the defendant was carrying out his business under the name 'Punj Lloyd Insulations Pvt. Ltd. – The logo used by the defendant was different from the plaintiff – It was held that the plaintiff could not make out a prima facie case against the defendant and the balance of convenience was also lying in favor of the defendant – Thus the injunction could not be granted to the plaintiff in the circumstances of

- f) The case discussed the requirements of proof of passing off under Section 27(2) and 106 of the Trade and Merchandise Marks Act, 1958 – It was held that the plaintiff was required to prima facie show that there was a close resemblance between the trademark used by the plaintiff and the defendant – Further, he was required to show that the confusion could lead to deception and the unwary customers could be duped with the same
- g) It was held that mere similarity in the two trade names cannot be conclusive of causing confusion and misleading the customer to take one in impression of the other – Further, the plaintiff was required to prove that similarity between names had misled the customers to take one for impression of the other
- h) The case discussed the scope of passing off under Section 27(2), 105(c) and 106 of the Trade and Merchandise Marks Act, 1958 – It was held that it was a remedy available under the law and the action of passing off was maintainable under the general law of the land
- i) The case discussed whether the use of word 'insulation' had the significance to attract passing off under Section 27(2) and 106 of the Trade and Merchandise Marks Act, 1958 – It was held that the word 'insulation' is an English word and the same cannot be said to be in exclusive domain of anyone to use it or to appropriate it and not to allow others to use it – Further, the exclusive right to use the same can be claimed in certain cases where it is shown that the ordinary word of the language has acquired a secondary meaning and has lost its primary meaning as per the language
- j) It was held that the similarity in the trademark is per se actionable in case of a trademark under Section 27(2) and 106 of the Trade and Merchandise Marks Act, 1958
- k) The case discussed the effect of small difference between the trademarks within the provisions of Section 27(2) and 106 of the Trade and Merchandise Marks Act, 1958 – It was held that small difference could be considered sufficient between the trade names used by the plaintiff and that by the defendant, in case of trade name consisting of descriptive words

ORDER

Mohd. Shamim, J.

What's in a name?
That which we call a rose
By any other name would smell as sweet:
(Shakespeare Romeo and Juliet II, 2).

1. However, the above piece of advice tendered to the people in general by the Bard of Avon appears to have fallen flat on the deaf ears of the parties to the present suit, as they have chosen to ignore the same and preferred to fight over a trade name like kilkenny cats as in manifest from the facts of the present case.

2. The plaintiff are a company incorporated under the Companies Act, 1956. They from the very inception have been dealing in insulation besides other services. They are a pioneer in the insulation industry. They are the first to develop mineral wool insulation. They have also developed ceramic fibre and foam insulations. They also provide insulation audit services and have been retained by large industrial undertakings, including TISCO, Indian Oil Corporation, NTPC, Hindustan Petroleum Corporation Ltd., Cochin Refinery etc. Insulation business involves high technical expertise and requires enormous amount of experience. The plaintiff have an impeccable track record of having handled orders worth crores of rupees with complete efficiency. The name 'Lloyd Insulations (India)' is the trade mark/name of the plaintiff from the very beginning and has remained so till to this date. Thus the use of a similar mark or name is bound to create confusion and would result in passing off such other business as that of the plaintiff and would tarnish the image of the plaintiff. Any unfair use of the said mark would amount to unfair competition and dilution.

3. The plaintiff have recently found that there is another company by the name Punj Lloyd Insulations Pvt. Ltd. On enquiries they came to know that Punj Lloyd Insulations was the new name of yet another company by the name of Sag it Properties Pvt. Ltd. as is manifest from the Certificate of Incorporation dated November 13, 1997. The defendant adopted the said trade name without authorisation or license from the plaintiff. The object of the said company is to deal in insulation and any other insulation products. It is manifest from above that the business of the newly incorporated company is similar to that of the plaintiff. The intention of the defendant is mala fide. The defendant want to encash upon the reputation and goodwill of the plaintiff in their established business and to thrive upon and to make use of the said reputation and goodwill. The shareholders of the defendant are Mrs. Naveena Punj and her husband Atul Punj. The promoters of the defendant as well as the shareholders of the plaintiff have been parties to the two awards dated August 6, 1987 and November 15, 1989. The said awards have been made rule of the court. There is an appeal pending against the second award. As per the provisions of the said two awards none of the parties was permitted to deal in the competing business for a period of two years or till such time the award dated November 15, 1989 was implemented. It has further been made clear in the said awards that the trade mark of the respective businesses which fell to their shares will be the property of the respective companies. Thus no company can be incorporated with an identical or similar trade name. The shareholders of the defendant company are the signatories to the above awards. Hence they were bound to honour their commitment. They are thus acting in

4. The defendant have not only entered into insulation business but have also adopted a trade name which is identical to the plaintiff's name. The business of the plaintiff requires a very high level of expertise and technical competence. If any new company such as the defendant have an identical or similar name it is bound to cause confusion amongst the customers and thus would lead to irreparable damage to the reputation of the plaintiff because of the lack of expertise and technical competence on their part. The customers would be bound to be deceived into believing that the defendant are the same as the plaintiff, or, in any case, they are connected with the plaintiff. The fact that the defendant are the members of the Punj family further ensures the chances of confusion. The use of the trade name of the plaintiff by the defendant amounts to passing off the trade and business of the defendant as that of the plaintiff. The acts of the defendant amount to unfair competition which is actionable under common law. Thus an order of injunction is the only efficacious remedy available to the plaintiff inasmuch as the defendant are a new entrant in insulation business and would cause damage to the reputation and goodwill of the plaintiff. It has thus been prayed that the defendant be restrained from carrying on the business under the impugned trade mark/name and trading style which is identical or deceptively similar to that of the plaintiff.

5. The defendant have opposed the said application, inter alia, on the following grounds: that the present application is an abuse of the process of the Court. The application has been filled with a view to preventing the defendant from carrying on their legitimate business activities. The defendant were incorporated in November 1997. The present suit was filed on February 3, 1998. The activities of the plaintiff which are basis of the present suit relate to technical and specialised service, hence no injunction can be granted on the basis of passing off under the Trade and Merchandise Mark Act, 1958. It is wrong that the plaintiff started their business in the year 1956 and became a deemed public limited company in July 1992. The fact is that the plaintiff were incorporated in the year 1997. The work of insulation amongst other jobs/services was being carried on by Punj Sons Pvt. Ltd. Shri N.P. Punj had no role to play in the working of the plaintiff in 1997 when the plaintiff was incorporated as he was a Non Resident Indian and was looking after other companies and doing business abroad. These services were offered and carried on by the Construction Division of Punj Sons. Pvt. Ltd. which vested in and was taken over by Punj Llyod Ltd. The mineral wool insulation was first developed by Punj Sons Pvt. Ltd. and Punj Llyod Ltd. has taken over the Construction Division of Punj Sons Pvt. Ltd.

6. The plaintiff are under a contractual obligation to Punj Llyod Group to which the defendant belong not to raise any objection with regard to the use of business name in which Punj Llyod appears as a key portion or as an essential feature for purposes of distinction. The prohibition not to enter in a competing business was for a period of two years only ending October 31, 1991. The prefix of the defendant's name i.e. Punj Llyod is the main leading and the essential portion which can neither be slurred nor ignored by all such persons/companies which deal with the defendant.

7. It has been admitted by the plaintiff is Suit No. 327-A/90 that the award dated November 15, 1989 has been implemented. Hence it does not lie now in the mouth of the plaintiff to allege that the said award has not been implemented. Thus the defendant cannot be restrained from carrying on insulation business. The defendant's corporate name is logically and purely descriptive of the insulation business of Punj Llyod Group. 'Insulation' is a generic expression. It is an English word denoting a particular act of preventing or reducing the transfer of electricity, heat, sound etc. by surrounding or linking with non conductive material. The said word is a dictionary word and no one can claim any right pertaining to the word 'insulation'. The customers who require the services of the parties to the present suit have the requisite expertise and know-how to clearly identify the business of the defendant and the plaintiff separately. The word 'Punj Llyod' is associated with the defendant group since 1989 inasmuch as the Construction Division of Punj Sons Pvt. Ltd. fell to the share of the plaintiff (vide award dated November 15, 1989). Three alternative names were suggested to the Registrar of Companies and Punj Llyod Group had been in the insulation business even prior to the awards. In case the defendant do not match the standards of the plaintiff's services the defendant would be out of business. Hence the apprehensions of the plaintiff are un-founded and without any basis. The application is false and frivolous. It is liable to be dismissed.

8. The grievance of the plaintiff which has been given vent to through the present application for the grant of ad interim injunction is that the defendant with mala fide intention have floated a company under the trade name and style of Punj Llyod Insulations Pvt. Ltd., a name which is very much similar and akin to the name of the plaintiff. There is absolutely no difference in between the name of the plaintiff and that of the defendant. In fact the defendant have added only one word i.e. Punj to the name of the plaintiff. Thus virtually the defendant have adopted the name of the plaintiff as their name in order to enable them to encash on the reputation and goodwill of the plaintiff in the insulation business. There is no gainsaying the fact that the plaintiff are a leader and pioneer in the insulation business. There is none who can match their competence and technical expertise. The defendant by adopting the name Punj Llyod Insulations Pvt. Ltd., a name which is very much similar and almost akin to the name of the plaintiff, want to parade themselves as the plaintiff and thereby want to deprive the plaintiff of their legitimate business by creating confusion in the mind of the public that while dealing with the defendant in fact they are dealing with the plaintiff. Thus the defendant are passing off their business as that of the plaintiff i.e. Llyod Insulations (India) Ltd. Therefore they want to filch their business. Mr. Mukul Rohatgi, Senior Advocate, learned counsel for the plaintiff, thus wants that the defendant

manupatra be interdicted by means of an injunction from carrying on business under the said name and style. In support of his contention he has taken help from the enthralling commentary of Kerly on Law of Trade Marks and Trade Names, page 389, under the heading Business Names (16-49) The name under which a business trades will almost always be a trade mark (or if the business provides service, a service mark, or both). Independently of questions of trade or service mark, however, the name of a business (a trading business or any other) will normally have attached to it a goodwill that the courts will protect. An action for passing off will then lie wherever the defendant company's name, or its intended name, is calculated to deceive, and so to divert business from the plaintiff, or to occasion a confusion between the two businesses. This is not made out there is no case.

9. learned counsel for the defendant Mr. R. K. Anand, Senior Advocate, on the other hand, has contended that Punj Llyod Pvt. Ltd., a company by the said name, fell to the share of the defendant under the second award dated November 15, 1989, whereas the company under the name and style Llyod Insulations was awarded to Shri R.P. Punj and V.P. Punj i.e., the Directors of the present plaintiff. The defendant have been carrying on different types of business under the name and style Punj Llyod Pvt. Ltd. Hence the plaintiff can hardly have any objection to the use the said name. The word 'insulation' is a generic expression. It is a word of English language. Thus anybody and everybody can make use of the same. Hence it does not lie in the mouth of the plaintiff to oppose to the use of the said trade name by the defendant while carrying on the insulation business. The learned counsel has further argued that it is true that the plaintiff company under the name and style of Punj Llyod Insulations Pvt. Ltd. was floated on November 13, 1997, however the insulation business is nothing new to them. They have been dealing in insulation since the year 1989. The learned counsel in this connection has led me through the Memorandum and Articles of Association dated July 11, 1989 of Punj Llyod Engineering Pvt. Ltd. A persual of the same reveals that one of the objects of Punj Llyod Ltd. was insulation, refractory lining and corrosion resistant lining, turbines, power systems and heat recovery systems. According to the learned counsel both the companies i.e. the plaintiff and the defendant are rendering technical assistance and services to their respective clients who are not ordinary or illiterate persons. Both of them deal with firms and companies which are known throughout the world and have got international reputation such as, Reliance Petroleum Ltd., Essar Projects Ltd., Bharat Petroleum Corporation, Bakrie Harper Corporation, Indian PetroChemicals Corporation Ltd., Nuclear Power Corporation, Engineers India Limited, Gas Authority of India Limited, Oil India Limited, etc. It is inconceivable that such big companies and their officers can ever be misled. Thus there is absolutely no occasion of any confusion. Hence while dealing with the defendant, it is well nigh impossible that a customer of such a high calibre, as the above Corporations, will be misled and deal with them under a misconception that they are dealing with the plaintiff. Thus the defendants can neither be taken to be the plaintiff nor vice versa.

10. It is manifest from above that the plaintiff want an ad interim interdiction against the defendant on the ground that the defendant are passing off their business as that of the plaintiff and are thus causing them irreparable loss and injury which it would be a hard nut to crack to ascertain in terms of monetary compensation. Hence the plaintiff want this Court to pass a restraint order against the defendant. In the above circumstances the pertinent question which arises for determination is as to whether it is a fact that the defendant are passing off their business as that of the plaintiff and they have made out a prima facie case for the grant of an ad interim injunction.

11. The term 'passing off' has nowhere been defined under the Trade and Merchandise Mark Act (the Act for short) though we find references to the same in Sections 27(2), 105(c) and 106 of the Act. Thus it is a common law remedy and an action for passing off is maintainable under the general law of the land. Defendant is said to be passing off his goods as that of the plaintiff when he parades them under a trade name/mark or trading style which is similar to that of the plaintiff and thereby the unwary public is misled and confused to that the goods of the defendant as that of the plaintiff. I am tempted here to reproduce the words of the eminent jurist Mr. Salmond used by him in connection with an action for passing off (page 401, Chapter 18). According to him, "The gist of conception of passing off is that the goods are in effect telling a falsehood about themselves, are saying something about themselves which is calculated to misled. The law on this matter is designed to protect traders against that form of unfair competition which consists in acquiring oneself by means of false or misleading devices, the benefit of the reputation already achieved by rival traders."

12. It is a well recognised principle of law that in an action for passing off the plaintiff is required to prima facie show that there is a close resemblance in between the two trade marks/trade names. It is further required to be shown that it would create confusion as a corollary whereof the goods of the defendant would be readily treated as that of the plaintiff. Thus the same would lead to deception and the unwary customers would be duped. The present case as is manifest from the relevant and material facts canvassed above does not relate to an infringement of a trade mark. It is also not like common run-mill-of cases in which the grievance is with regard to this sale and purchase of goods. The present case relates to the rendering of insulation services by the parties to the present litigation to multi-national and other big companies.

13. The claim of the plaintiff is that the defendant with mala fide intention have adopted an identical trade mark which so much resembles that to the plaintiff that potential customers of the plaintiff are likely to be misled into believing while dealing with the defendant that they are dealing with the plaintiff. According to learned counsel for the plaintiff the only difference in the trade names of the plaintiff and that of the defendant is that of

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the word 'Punj' only, otherwise the two trade names are absolutely identical and similar. It has been done mala fide, deliberately to make the confusion worst confounded. Thus in case the defendant are not restrained from using the same the plaintiff would suffer irreparable loss and injury which would almost be impossible to assess in terms of pecuniary compensation. The contention of the learned counsel to my mind is without any merit.

14. A perusal of the record reveals that as per the first award dated August 6, 1987 Group II consisted of four brother i.e., S/Shri V. P. Punj, S. N. P. Punj, R. P. Punj and N. P. Punj. By the said award Llyod Insulations fell to their share. The company known as Llyod Insulations i.e. the plaintiff was allotted to them vide the earlier award. Thus till November 15, 1989 Shri S. N. P. Punj was doing the insulation business along with other brothers Later on Llyod Insulations was given to S/Shri R.P. Punj and R.p. punj i.e., the plaintiff in the present case, whereas 'Punj Llyod Pvt. Ltd.' was allotted to the defendant as per the second award dated November 15, 1989. Thus the defendant are entitled to use the name Punj Llyod Pvt. Ltd. as a matter of right and the plaintiff cannot be allowed to have any grievance on the said score.

15. The other thing which the defendant have added to their above trade name is the word 'insulation'. The word 'insulation' is a word of English language and it cannot be said to be in the exclusive domain of any one to use it or to appropriate it and not to allow others to have it. Of course the plaintiff can claim exclusive right to use the same only in those discerning few cases where it is shown to the satisfaction of the Court that the ordinary word of a particular language has acquired a secondary meaning and has lost its primary meaning as per that language. By the constant use, it has come to be associated with the goods or the services which are being rendered by the plaintiff, to such an extent, that when it is used by the seller a picture emerges before the eyes of the customer that of the goods/business of the plaintiff. It is in such a situation and at such a juncture that the plaintiff, on account of his long and durable association with the said ordinary word, can claim that others should not be permitted to use the same as in case they are allowed to do so then the plaintiff would suffer an irreparable loss and damage which it would be well nigh impossible to assess in terms of monetary compensation because in such a situation the purchasers would be misled and they would purchase the goods of the defendant under a misconception that the same are that of the plaintiff. I am reminded here of oft quoted and oft repeated leading case entitled office Cleaning Services, Ltd. Vs. Westminster Window And General Cleaners, Ltd. (1946) R.P.C. 39. I am citing a few lines from the same in support of my view." I put the fact that the Appellants chose to adopt as part of their title the words "Office Cleaning" which are English words in common use, apt and more apt than any other words to describe the service that they render. This is trade name, not a trade mark case, but I would remind your Lordships of the close analogy between the two classes of cases found by Farwell J. in Aerators Limited Vs. Toilet (1902) 2 Cha 319 and by Parker J. in the Vacuum Cleaner case (ubi supra). So it is that, just as in the case of a trade mark the use of descriptive words is jealously safeguarded, so in the case of trade names the Courts will not readily assume that the use by a trader as part of his trade name of descriptive words already used by another trader as part of his trade name is likely to cause confusion and will easily accept small differences as adequate to avoid it. It is otherwise where a fancy word has been chosen as part of the name. Then it is that fancy word which is discriminatory and upon which the attention is fixed, and if another trader takes that word as part of his trade name with only a slight Variation or addition, he may well be said to invite confusion. For why else did he adopt it?

Thirdly, your Lordships will note that the appellants do not claim that the words "Office Cleaning" have acquired a secondary meaning, by which I understand them to mean that they do not claim that these words mean a service of cleaning offices as rendered by them and them alone. Such a claim would indeed be impossible to maintain. But, while making this disclaimer, they nevertheless contend that as a trade name "Office Cleaning" is so much identified with their business that any trader who ventures to use these words as part of his trade name must clearly differentiate. This seems to me to be no more than a restatement of the familiar problem. The Court will undoubtedly take into consideration long user of a descriptive name but will not forget that, since it is descriptive, small differences may suffice.

Fourthly, regard must be had in this, as in all cases of this kind, to the nature of the business and to the way in which it is carried on. This is perhaps less important where it is the name of a business, not the name of an article, that is in dispute. But it is at least a factor to be borne in mind that here the nature of the business is such that it usually involves the making of a period contract for the rendering of substantial services."

16. It was also so held in Park Court Hotel Limited Vs. Trans-world Hotels Limited (1972) RPC 27, If the words are descriptive, small differences, suffice. These cases establish that confusion is not the test, but misrepresentation, that the use of the word is calculated to deceive. Confusion is only evidence. When properly considered, the word "International" is descriptive. The plaintiffs' evidence includes press notices with headlines such as "Hotel International lives up to its name". The word is shown by the evidence to be commonly used in the hotel business. The injunction was declined.

17. To the same effect are the observations as reported in Credit Management Company Limited Vs. Credit Management (1961) RPC 157, McCain International Limited Vs. Country Fair Foods Limited And Another (1981) RPC 69, Hawtin, (E.V.) Ltd. Vs. Hawtin (John. F.) & Coy. Ltd. (1960) RPC 95, and the observations of a Single Judge of the Bombay High Court in Carew Phipson Vs. DeeJay Distilleries Pvt. Ltd. decided on February 15, 1994.

manupatra 18. Besides the above, I am tempted to cite a few lines from the judgment of the Hon'ble Supreme Court as reported in J.R. Kapoor Vs. Micronix India MANU/SC/1166/1994 : 1994(3)SCALE732 . Thus micro-chip technology being the base of many of the products, the word 'micro' has much relevance in describing the products. Further, the word "micro" being descriptive of the micro technology used for production of many electronic goods which daily come to the market, no one can claim monopoly over the use of the said word. Anyone producing any product with the use of micro-chip technology would be justified in using the said word as a prefix to his trade name. what is further, those who are familiar with the use of electronic goods know fully well and not likely to be misguided or confused merely by, the prefix 'micro' in the trade name. Once, Therefore, it is held that the word 'micro' is a common or general name descriptive of the products which are sold or of the technology by which the products are manufactured, and the users of such products are, Therefore, not likely to be misguided or confusd by the said word, the only question which has to be prima facia decided at this stage is whether the words 'tel' and 'nix' in the trade names of the appelland and the respondent are deceptive for the buyers and users and are likely to misguide or confuse them in purchasing one for the other. According to us, phonetically the words being totally dissimilar are not going to create any such confusion in the mind of the users. Secondly, even the visual impression of the said two trade names is different. In the first instance, the respondent's trade name 'MICRONIX' is in black and white in slimmer letters and they are ensconced in designs of elongated triangles both above and below the said name. On the other hand, the appelland's trade name 'MICROTEL' is in the thick bold letters in red colour without any design around. As regards the logo the respondent's logo consists of the word 'M' in a slim letter with 'I' sporting a dot on it and drawn in the well of 'M'. Below the letter 'M' in small letters is written the word 'micronix' and all these letters and words are written in white in a black square in north-south direction. As against this, the appelland's logo is one letter, viz 'M' which is drawn in bold broad letter with its left leg slimmer than all other parts which are in thick broad brush.....

We are, Therefore, unable to see how the visual effect of both the logos will be the same on the mind of the buyers....."

19. It would also not be out of place over here to cite the observations from a case entitled Asiatic Government Security Life Assurance Co. Ltd. Vs. New Asiatic Insurance Co. Ltd. MANU/TN/0096/1938 : AIR 1939 Mad 555. According to the facts of the case the names of the two companies involved in litigation were Asiatic Government Security Life Assurance Co. Ltd. and New Asiatic Insurance Co. Ltd. The Court declined the injuction on the ground that the names of the two companies are not identical and similarity, if any, is not sufficient enough to cause confusion in the mind of the public. In any case there was no evidence with regard to the fact that anybody was misled or confused. It was observed "In suit by one company for injuction restraining another company from carrying on business sunder similar name it is not sufficient to show that there is a similarity of names but it must also be shown that there is a reasonable probability that the use of the name would result in the defendant's appropriating the material advantage of the plaintiff's business and before the Court will grant an injuction a very high standard of affirmative proof is required to establish the plaintiff's case or that the similarity of the names is of itself sufficient."

20. The following points can be easily culled from the authorities alluded to above:

- (a) In case of a trade name which consists of descriptive words small difference will be taken to be sufficient enough in between the trade names of the plaintiff and that of the defendant. Whereas in case of a trade mark a mere similarity in the trade mark is per se actionable.
- (b) In an action for passing off a mere similarity in the two trade names is not sufficient to conclude that it will cause confusion and would mislead the customer to take the one for the other. It has further to be shown that similarity in their names has misled a customer to take one for the other;
- (c) Nobody can claim property in a mere descriptive word used by him as his trade name unless and until it is shown that the said descriptive word has acquired a secondary meaning and has lost its primary character and is so much associated with the goods of the plaintiff that a mere mention of it brings before his eyes the picture of the goods of the plaintiff.
- (d) In case a fancy word has been shown as part of a name then the same is distinctive per se and if another trader takes that word as part of his trade name with only a slight variation then he can be said to have created confusion.

21. Let us now apply the above laid down tests to the case in hand in order to find out as to whether the plaintiff have made out a prima facie case for the grant of an injuction.

22. The trade name of the plaintiff is Lloyd Insulations (India) Ltd. whereas that of the defendant is Punj Lloyd Insulation Pvt. Ltd. What is un-common in between the two is 'Punj'. I have already observed above that Punj Lloyd Pvt. Ltd. fell to the share of the defendant group under the second award dated November 15, 1989. Thus the defendant are entitled to use the word 'Punj Lloyd Pvt. Ltd.' in connection with their business and nobody can be allowed to raise a finger of protest against the user of the same. The word "Lloyd" furthermore has not exclusively been granted to any of the brothers. It is shared by all the brothers and they are using the same in connection with their respective businesses. Thus the only word left now is 'insulation'. The word

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'insulation' admittedly is a word of English language. It is a dictionary word. It means to prevent the passing of heat, sound, electricity. Thus nobody can claim property in such a word with a meaning unless it is shown to the satisfaction of the Court that the said word has acquired a meaning of its own altogether different from its dictionary meaning. It has been so much associated with the goods or services of the plaintiff that it has lost its primary meaning and has come to gather a secondary meaning on account of its long association with the goods of the plaintiff. The plaintiff herein have not claimed anywhere in the plaint that the word 'insulation' has acquired a secondary meaning altogether different from its dictionary meaning. In any case, even during the course of arguments no such attempt was made by learned counsel for the plaintiff, and rightly so. Thus the plaintiff cannot claim any monopoly to the use of the word 'insulation'. The defendant admittedly are carrying on the insulation business since the year 1997 when the said trade name was allotted to them by the Registrar of Companies (vide certificate of incorporation dated November 13, 1997). I thus feel the plaintiff are not entitled to raise any objection thereto.

23. This is the case of the plaintiff that the insulation business involves high technical expertise and requires enormous amount of experience. Most industries in the core sector need one or the other form of insulation services and the plaintiff have been dealing with all the well known companies and corporate houses in India, such as, MW Kellogg, Ce Lumimus, El Du Pont, Stone & Webster, EIL, Toyo Engineering, Davy Powergas, Chemtex, Haider Topsoe, Snam Progetti, Linde, Lurgi, L'Air Liquide, BF Goodrich, ICI, UHDF, Chemico, Gas Authority of India Ltd., DCM Daewoo, BHEL, ABB, Siemens, IOC (vide para 5 of the plaint). To the same effect is the claim of the defendant (vide para 6 of the written statement). They also claim to be dealing with very big industrial houses including the Multi National Companies. Thus to my mind, the customers of both the parties to the present proceedings are members of the elite section of the society. They are highly qualified persons, technically or otherwise. Therefore, they cannot be misled into believing the business of one for the other. No industrial house would give a contract to a particular party unless they have satisfied themselves with regard to their competence - financial as well as technical - to render the service which they are asking for. Thus it can be safely concluded and presumed that they must be knowing well in advance with whom they are dealing. I am Therefore of the view that there is no possibility of any confusion and misrepresentation.

24. The defendant have placed on record a list of the contracts which shows that both the parties to the present proceedings made offers to undertake and execute the work of certain projects under the said contracts. A perusal of the same reveals that out of the 12 contracts shown in the list 7 were awarded to the plaintiff whereas 5 out of them were awarded to the defendant. This goes to show prima facie that both the parties are competing with one another without any difficulty and problem. However, it appears that the plaintiff have got frightened with the inroads made by the defendant into their business.

25. There is another side of the picture. A more look at the logo of the defendant shows that it is in black slimmer half circles with a red half circle inside therein with Punj Lloyd Insulations Pvt. Ltd. written in three lines underneath the same. Whereas the logo of the plaintiff is in the shape of a cabinet in blue colour with Lloyd Insulations (India) Ltd., written by its left side in one line in blue letters. Thus even a purblind would be in a position to distinguish one from the other by casting a glance thereon.

26. Moreover, the plaintiff have not placed on record any prima facie evidence with regard to the actual deception, misleading or a case in which a particular customer was misled on account of the similarity in the two trade names. The only evidence placed on the file of the Court is a letter dated January 22, 1998 addressed to the defendant by Projects & Development India Ltd., but which was delivered to the plaintiff. A close scrutiny of the same reveals that the address on the envelope is of Mr. V.P. Punj, Lloyd Insulations (India) Ltd., 2, Industrial Area, Kalkaji, New Delhi, whereas on the letter itself the correct address of M/s Punj Lloyd Insulations Pvt Ltd. Punj Lloyd House, 18 Nehru Place, New Delhi is given. Thus the said evidence is of no avail to the plaintiff inasmuch as the letter was correctly delivered to the plaintiff as their name was there on the envelope whereas the address of the defendant was given correctly on the letter itself inside the envelope. Similar is the case with another letter dated January 12, 1998. The same was addressed to Mr. J. B. Dewan, Managing Director, Punj Lloyd Insulations Pvt. Ltd., Kalkaji Industrial Area, New Delhi. However, the address on the envelope is that of M/s Lloyd Insulations Pvt. Ltd., Punj Lloyd House, 12 Nehru Place, New Delhi. Thus the said evidence does not lead us anywhere. Both the letters were delivered correctly to the plaintiff as their names find a mention in the address on the envelopes.

27. Furthermore, a perusal of the Memorandum and Articles of Association of Punj Lloyd Ltd. issued on July 11, 1989 reveals that one of the objects of the said company was to carry out in India or elsewhere the business of instrumentation, insulation, refractory lining and corrosion resistant lining, turbines, power systems and heat recovery systems. In fact, Shri S. N. P. Punj, a member of the defendant group, along with others was controlling and running the business of the plaintiff prior to the award dated November 15, 1989. S/Shri N. P. Punj and R. P. Punj got the control of the plaintiff company after the second award dated November 15, 1989. Hence the plaintiff cannot be permitted to object to the use of the word 'insulation' by the defendant in their trade name as they have been dealing in insulation business since long.

28. It has next been urged by Mr. Mukul Rohtagi, Senior Advocate, learned counsel for the plaintiff, that the defendant were dealing in property business under the name and style of Sag it Properties Pvt Ltd. The main object of the said company was to deal in construction of buildings. Later on the said company applied for

change of name vide their application dated October 6, 1987. The learned counsel contends that what was the need Therefore when the defendant could have dealt in insulation business as they were dealing earlier prior to the incorporation of the separate company. It goes to show that it was done fraudulently with an ulterior motive to filch the business and trade of the plaintiff. The fraud, according to the learned counsel vitiates the most solemn transaction. Once the Court comes to the conclusion that a particular act was done fraudulently the Court would not look for any further evidence and would restrain the defendant from doing the said act. The learned counsel in this connection has drawn my attention to the observations of their Lordship as reported in Office Cleaning Services Ltd. Vs. Westminster Window & General Cleaner's case (supra) Secondly I observe that here, there is in the Respondents' choice of name no improper or sinister motive. The learned judge found that they did not intend to cause confusion between their business and that of the Appellants by dropping the word "Westminster". This is not a matter of conclusive importance. Confusion innocently caused will yet be restrained. But if the intention to deceive is found it will be readily inferred that deception will result. Who knows better than the trader the mysteries of his trade? For myself I find the Respondents' Explanation of their action satisfactory. They were, I think, justified in the fear that some potential customers might think they did not operate outside the Westminster area and for that reason refrain from employing them. And it is just this sort of consideration which makes it undesirable that the first user of descriptive words should be entitled to demand that a second user should differentiate by any form of limiting words. To speak of a monopoly is inaccurate, but anything that looks like a monopoly is suspect."

29. There is no dispute with the said proposition of law so far as fraud is concerned. However, the plaintiff in order to succeed must show that it is a case of fraud. There is no such thing in the present case.

30. Learned counsel in order to substantiate his contention has further argued that the name of Sag it Properties Pvt. Ltd. was got changed to Punj Lloyd Insulation Pvt. Ltd. in collusion with the Registrar of Companies. They applied for change of name vide their application dated October 6, 1997. The proposed name of the company as is manifest from the said application was 'Spectra Insulation Pvt. Ltd.' The said application was rejected by the Registrar of Companies vide their letter dated October 10, 1997 on the ground that the proposed name is not in consonance with the 'Main Objects'. Learned counsel for the plaintiff Mr. Rohatgi has contended on the basis of the above that the said application for the change of the name from 'Sag it Properties Pvt. Ltd.' to 'Spectra Insulation Pvt. Ltd.' was rejected on the ground that the proposed name did not accord with the activities described in the Main Objects. It was a rejection on the ground that the proposed name did not tally with the 'Main Objects' of the company. Thus there was no rejection of the application simpliciter. Hence the defendant could have applied over again to the Registrar of Companies for the change of the name of 'Sag it Properties' to 'Spectra Insulation Pvt. Ltd.' as the same was still available. The contention of the learned counsel is devoid of any force. A perusal of the letter dated October 10, 1997 from the Registrar of Companies reveals that it was specifically mentioned therein that they were to suggest some other names other than the name rejected. Hence how the defendant could have applied over again for the same name i.e., Spectra Insulation Pvt. Ltd. It was in the above circumstances that the defendant applied over again to the Registrar of Companies vide their application dated October 28, 1997 suggesting name other than the name rejected. It was on the basis of the said application that they were awarded the name i.e. Punj Lloyd Insulations Pvt. Ltd. by the Registrar of Companies. The plaintiff in view of the above can have no quarrel on the said score. In any case I do not find any fraud in the present case.

31. The case of the defendant is that they were receiving contracts in crores to undertake different projects, including insulation business. Hence arose the need to have a separate accounting head. With the said end in View they floated the above said company. The defendant group consists of companies doing business worth crores of rupees. The defendant spent a sum of Rs. 8 crores of advertisement as against Rs. 36,78,381/- only spent by the plaintiff on advertisement. The defendant are thus having a flourishing business. They have got a better and more flourishing business than that of the plaintiff.

32. Learned counsel for the plaintiff has contended that a trader may always use a name to indicate his business or goods apart from a trade mark and where such a name acquires goodwill and reputation he has a right to maintain an action under common law for passing off against the defendant for adopting an identical mark or name. He has in this connection led me through the observations of S. P. Narayanan in Law of Trade Marks and Passing-off, page 574 under the heading Trade Names "Where the name of a company has acquired reputation in relation to some goods or businesses, if another person subsequently adopts a deceptively similar name for similar goods or business the latter can be restrained by an injunction from carrying on its business under such a name."

33. Learned counsel for the plaintiff has then heavily relied on a judgment for the grant of an injunction as reported in Montari Overseas Ltd. Vs. Montari Industries Ltd., 1996 PTC 143. It has been urged by him that the facts of the present case are similar to the facts of the said authority. Hence the ratio decidendi of the said case can be made applicable to the facts of the present case. Thus the plaintiff are entitled to an interim injunction. The contention of the learned counsel is without any force. A perusal of the record reveals that the facts of the present case and that of the said authority are not identical. They are altogether different as would be abundantly clear from a few lines which are being reproduced below in order to distinguish the said authority. It was observed vide para 14 of the said authority "In the present case, there are certain striking features which have to be taken note of in arriving at a decision whether the appellant in adopting the word 'MONTARI' as a part of its corporate name is likely to deceive or cause confusion in the minds of the public. It

manupatra is not disputed that the appellant was incorporated on April 21, 1993 after about a decade of the incorporation of the respondent. From the record of the trial court it appears that the respondent and its other group of Montari companies has an established business. On the other hand, the appellant has entered the capital market very recently. It was noticed by the learned single Judge that the factory of the appellant was in the process of completion and its products have not entered market. It was not claimed, either before us or in the memo of appeal, that the products of the appellant are now being marketed. The respondent has explained as to why the word 'MONTARI' was selected by it. It is explained that the word was coined by the respondent by deriving a part of it from the name of the Chairman of the company and part of it from the name of his wife. The appellant has also tried to furnish some Explanation by urging that the word 'MONTARI' is also of significance to it and the same was derived from the names of the father of the Managing Director of the company and his father-in-law. It claimed in the written statement that the father of the Managing director is Mohan Singh while the name of his father-in-law is Avtar Singh. However, during arguments it was not disputed that the name of the father of the Managing Director was Kirpal Singh. This shows that the word 'MONTARI' has nothing to do with the name of the father of the Managing Director. The Explanation appears to be not correct. If this is so then, what was the purpose of selecting the word 'MONTARI' by the appellant for use in its corporate name. No satisfactory Explanation has been given by the appellant in this regard".

34. The other case which has been placed reliance upon is *M/S K.G. Khosla Compressors Ltd. & Others Vs. M/s Khosla Extration Ltd., and Others*, (1986) PTC 211. A perusal of the facts of the case shows that the facts of the said authority are in no way identical to the facts of the present case. The plaintiff according to the said authority was a public limited company defendant No. 1 was Khosla Extration Ltd. Defendants No. 2 and 3 were the Chairman and Director of defendant No. 1. The plaintiff was a well known company in business circle. The word 'Khosla' according to said to the said authority was the registered trade mark of the plaintiff and was being used on the accounts of the plaintiff and the word 'Khosla' was also the logo of the plaintiff and was frequently used in the advertisements, pamphlets and publications of the plaintiff. Defendants Nos. 2 and 3 formed defendant No.1 with a similar name i.e. the plaintiff in order to play fraud and deception on the public and to encash name and reputation and goodwill of the plaintiff. It was observed therein, to cite a few lines from para 34 of the said judgment, "To me there appears to be no reason why the name of the defendant No.1 should be as it is except that the name was deliberately used to cash on the good will and reputation of the plaintiff. Mr. Sanghi gave an offer that he will have an advertisement published that defendant No.1 "belongs to S.K. Khosla Group of Companies and has nothing to do with K. G. Khosla Group of Companies. He said, he was already doing so and referred to the order of the Allahabad High Court, which has been noted by me above. I think, this type of offer cannot improve the matter and rather it will cause worse type of confusion in the mind of the public. For one thing there is nothing on the record to show that there is any group known as "S. K. Khosla Group of companies" in the business circles. To my mind, serious questions are to be tried in the present suit. Prima facie, the suit is maintainable. There is also a prima facie case. Defendant No.1 is threatening to go for public issue of capital to which the plaintiff objects. I think, the apprehension of the plaintiff is well founded. There is third unseen party in the present case which is the investing public. The public is bound to be misled by the name of defendant No.1 as the company belonging to the plaintiff group of companies. The defendants cannot be permitted to cash on the name of the plaintiff. If ultimately defendant No.1 fails it will rebound on the plaintiff and its group causing misery to the shareholders of the plaintiff and its group of companies. All this will bring these companies into disrepute. There would certainly be no measure of damages that the plaintiff might suffer. The balance of convenience is obviously in favor of the the plaintiff.

35. I would, Therefore, allow the application, to the extent that I would restrain the defendants from entering the capital market and making the public issue under the name of *M/s Khosla Extrations Ltd.*

36. Thus the plaintiff cannot take any benefit from the said judgments as they are based on altogether different facts and circumstances.

37. In view of the above I feel the plaintiff have failed to show any prima facie case in their favour. The balance of convenience is also in favor of the defendant inasmuch as the defendant are doing flourishing business, as observed above vide para 31, since November 1997. In case the injunction is issued in favor of the plaintiff against the defendant in that eventuality the business of the defendant company would come to a standstill. Thus they would suffer irreparable loss and damage. On the other hand, in case the injuction is not issued at this stage and the plaintiff ultimately succeed in that eventuality it would simply tantamount to delay in getting the relief which they want to have from the Court through the present application.

38. Learned counsel for the plaintiff during the course of arguments has led me through certain authorities other than the authorities referred to above. To my mind the said authorities are not applicable to the facts and circumstances of the present case.

39. *M/s Regency Industries Ltd. Vs. M/s Kedar Builders*, (1990) PTC 1. "As the name Regency is associated in public mind with the activity being carried on by the plaintiff, Therefore, the plaintiff is entitled to injunction which it seeks as the balance of convenience is also in favor of the plaintiff."

40. *M/s Mahalaxmi Jewellers & Another Vs. M/s Mahalaxmi Jewellers of Chakwal* (1981) PTC 197. It was held that the plaintiffs are entitled to the temporary injunction during the pendency of the suit in view of the long user by the plaintiff No.2.

41. Parker & Son (Reading) Limited Vs. Parker (1965) RPC 323. It was held that although the defendant had a right to use his name, Parker, in association with his business, he would be restrained from causing confusion by styling his business "Parkers".

42. Mahindra & Mahindra Ltd. Vs. Mahendra & Mahendra Paper Mills Ltd., Suit No. 4007/98, decided on April 23, 1998. It was a case under the Trade & Merchandise Mark Act. Thus plaintiff cannot be permitted to make use of the observations therein.

43. Smt. S. Charat Ram Vs. M/s Usha Rectifier, 1996 PTC (16) 610. It was also a case of trade mark. Hence the observations contained therein are not relevant for the purpose of the present case.

44. Baker Nudges Limited Vs. Hiroo Khushalani 1998 PTC (18) 580. It was also a case with regard to the infringement of a trade mark. Hence injunction was granted.

45. In view of the above I do not see any force in the present application. It is liable to be rejected. It is dismissed as such.