

MANU/DE/1178/2000

Equivalent Citation: 2000VAD(Delhi)860, [2000]102CompCas352(Delhi)

IN THE HIGH COURT OF DELHI

I.A. No. 3708 of 2000 in Suit No. 772 of 2000

Decided On: 26.05.2000

Appellants: **Online India Capital Co. Pvt. Ltd. and Anr.**
Vs.

Respondent: **Dimensions Corporate**

Hon'ble Judges/Coram:

K.S. Gupta, J.

Counsels:

For Appellant/Petitioner/plaintiff: Vinay Bhasin, Sr. Adv., Urmil Narang and P.K. Mittal, Advs

For Respondents/Defendant: A.S. Chandhiok, Sr. Adv., Pratibha M. Singh, H. Subramaniam, Rahul Srivastava, Suparna Srivastava and D. Bhamri, Advs.

Subject: Intellectual Property Rights

Subject: Company

Acts/Rules/Orders:

Code of Civil Procedure (CPC) - Section 151, Code of Civil Procedure (CPC) - Order 39 Rule 1, Code of Civil Procedure (CPC) - Order 39 Rule 2

Cases Referred:

Yahoo Inc. v. Akash Arora, [1999] 19 PTC 201 (Delhi); Rediff Communication Limited v. Cyberbooth, AIR 2000 Bom 27; Office Cleaning Services Ltd. v. Westminster Window and General Cleaners Ltd., 63 RPC 39; J.R. Kapoor v. Micronix India, [1994] 3 Suppl. SCC 215; Lloyd-Insulations (India) Limited v. Punj Lloyd Insulations Pvt. Ltd., [1999] PTC 449; Bharathiya Coffee Workers Catering Services (P.) Ltd. v. Indian Coffee Workers Co-operative Society Ltd., [1999] PTC 431; Investment India Ltd. v. I.C.I.C.I. Ltd.; Aerators Ltd. v. Tollitt, [1902] 2 Chancery 319

Disposition:

Application dismissed

Case Note:

Asuit was filed to restrain the defendant from using the word 'MUTUAL FUND' in the website called 'WWW.MUTUALFUNDINDIA.COM' – It was held that under Sections 106, 29 and 27(2) of the Trade and Merchandise Marks Act, 1958, the word 'MUTUAL FUND' is a generic word and Therefore, could be used by any body – Hence, no person could claim the monopoly regarding the impugned word – In respect to this, the material adduced as evidence by the plaintiff did not show that the said word had a secondary meaning which was a pre-condition for granting the protection to a descriptive name – Hence, the Court refused the ad interim injunction

JUDGMENT

K.S. Gupta, J.

1. A suit was filed seeking to restrain the defendant permanently from using the website under the name of www.mutualfundindia.com or in any other identical name, inter alia, alleging that plaintiff No. 2 acquired the proprietary rights of www.mutualfundsindia.com and assigned it in favor of plaintiff No. 1-company. The website www.mutualfundsindia.com was created on May 5, 1999. It is alleged that this website provides most comprehensive data on mutual funds. Finding it to be highly informative, knowledgeable and useful the Templeton Mutual Fund, DSP Merrill Lynch Mutual Fund, Kotak Mahindra Mutual Fund, Alliance Capital Mutual Fund and Taurus Mutual Fund are advertising on the said website. Prudential ICICI Mutual Fund has also agreed to advertise for one year beginning May 1, 2000. SIDBI Venture Capital Co. Ltd. has offered to participate in the share capital of plaintiff No. 1 to the tune of Rs. 1.5 crores. Other leading companies of North India dealing in shares, securities and debentures too have approached plaintiff No. 1 for investing in its share capital.

manupatra 2. It is pleaded that an eleven-member team of FORBES, a magazine of the U.S.A. has listed 150 sites as "Best of Web" after considering 1,500 websites all over the world and the plaintiff's said website is one amongst four Indian websites included in that list. The defendant has fraudulently and mischievously developed a website with an almost identical name-www.mutualfundindia.com-deleting alphabet "S" after the word fund. It is alleged that unwary persons from trade, industry, commerce and investors are likely to be led to believe that the said website of the defendant which has practically no information is that of the plaintiffs. plaintiff No. 1 called upon the defendant to change the name of its website through the letter dated March 25, 2000. The directors of plaintiff No. 1-company also spoke to the directors of the defendant to change the name but to no effect.

3. In the suit, I. A. No. 3708 of 2000 under Order 39, Rules 1 and 2 read with Section 151 of the Civil Procedure Code, was also filed by the plaintiffs for issue of an ad interim injunction seeking to restrain the defendant from running the website under the said name www.mutualfundindia.com or in any other deceptively similar name.

4. When the case was taken up on May 2, 2000, Shri Rahul Srivastava, advocate, put in appearance and stated that he has instructions to appear on behalf of the defendant and sought time for filing the written statement and reply. Accordingly, the defendant was allowed three days' time for filing the written statement and reply and the case was postponed to May 8, 2000, for hearing on the said I. A. The defendant has filed the reply only on May 6, 2000.

5. In short, it is alleged in the reply that the mutual fund is a descriptive/ generic word and no monopoly can be claimed in relation thereto by any person. The documents filed along with the plaint do not indicate the name of the owner of the website www.mutualfundsindia.com. On the date the defendant applied for registration of the domain name in question, it was not even aware of the existence of the plaintiffs. The plaintiffs are a new company in existence for less than one year. The defendant has been in existence for more than six years and has an enviable track record in corporate finance and allied services with a very impressive list of clientele. The plaintiffs' said domain name was registered six to seven months prior to the registration of the defendant's above name. The defendant's website is still under construction. It is stated that as a part of its business development programme, the defendant planned a series of websites on financial services and First Online Ltd. was incorporated in 1996 by the defendant in collaboration with the Thapar group. Sites already launched by the defendant are being managed by First Online Ltd. under license from the defendant. Names of some of the websites for which the defendant has registered domain names have been disclosed in para. No. XXVI of the preliminary submissions of the reply. It is denied that the plaintiffs at any point of time spoke to any of the directors of the defendant, as alleged. Letter dated March 25, 2000, or any other letter as notice was never received by the defendant. It is asserted that there is no question of the public associating the words mutual fund with the plaintiffs, as alleged.

6. It was urged by Shri Vinay Bhasin, senior advocate appearing for the plaintiffs, that admittedly plaintiff No. 1-company has been using the domain name of www.mutualfundsindia.com, six or seven months prior to the use of trade name-www.mutualfundsindia.com by the defendant and this use of name by the latter is likely to deceive or cause confusion and divert the business of the plaintiffs to the defendant and the plaintiffs are, Therefore, entitled to the ad interim injunction prayed for. In support of the submission reliance was placed on the decisions in Yahoo Inc. v. Akash Arora [1999] 19 PTC 201 (Del) rendered by this court and Rediff Communication Limited v. Cyberbooth, MANU/MH/0308/1999 : AIR 2000 Bom 27. On the other hand, it was contended by A. S. Chandhiok, senior advocate for the defendant, that the said domain name of the plaintiffs is completely descriptive/generic in nature and they are thus not entitled to the interim protection prayed for. Reliance was placed on the decisions in Office Cleaning Services Ltd. v. Westminster Window and General Cleaners Ltd., 63 RPC 39 ; J. R. Kapoor v. Micronix India [1994] 3 Suppl. SCC 215 ; Lloyd-Insulations (India) Limited v. Punj Lloyd Insulations Pvt. Ltd. [1999] PTC 449 ; Bharathiya Coffee Workers Catering Services (P.) Ltd. v. Indian Coffee Workers Co-operative Society Ltd. [1999] PTC 431 and an unreported judgment of the Bombay High Court in Investment India Ltd. v. I. C. I. C. I. Ltd. (dated March 10, 2000).

7. A passing-off action is a common law remedy. In Office Cleaning Services' case, 63 RPC 39 the trade name of the plaintiffs/appellants was "Office Cleaning Services Ltd." while that of the defendants/respondents "Office Cleaning Association". The question which arose for determination before the House of Lords in appeal was, have the appellants proved that use by the respondents of trading style "Office Cleaning Association" was calculated to lead to the belief that their business was the business of the appellants ? While dealing with that aspect of the matter at page 42 of the report, it was held :

"In the present case there are certain considerations to which I think it worthwhile to call particular attention.

Foremost, 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 a trade name, not a trade mark, case, but I would remind your Lordships of the close analogy between the two classes of case found by Farwell J. in Aerators Ltd. v. Tollitt [1902] 2 Ch 319 and by Parker J. in the Vacuum Cleaner's case..... 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. ...

These, my Lords, are the broad considerations which must govern this case and, as it is succinctly stated in the judgment of the court of appeal, 'the question to be determined' is narrowed down to whether the word 'association' when used in connection with the descriptive words 'office cleaning' is sufficient to distinguish the defendants' title from 'that of the plaintiffs' 'Office Cleaning Services Ltd.'. My conclusion agrees with that of the court of appeal. The distinctive word in the appellants' title is 'services', that in the respondents' is 'association'. I think that that is a differentiation which should avert any confusion that might otherwise arise from the common use of ordinary descriptive words."

8. At page 43 of the report, it was further held :

"It comes in the end, I think, to no more than this, that where a trader adopts words in common use for his trade name, some risk of "confusion is inevitable. But that risk must be run unless the first user is allowed unfairly to monopolies the words. The court will accept comparatively small differences as sufficient to avert confusion. . . ."

9. In J. R. Kapoor's case [1994] 3 Suppl. SCC 215 injunction had been granted against the defendant from using the trade mark "Microtel". The plaintiff's mark was "Micronix". While setting aside the order of injunction, the Supreme Court held :

"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 are 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 confused by the said word."

10. In Bharathiya Coffee Workers Catering Services (P.) Ltd.'s case [1999] PTC 431, the competing trade names were "Indian Coffee House". The plaintiff claimed that nobody else can use that name. The learned single judge of the Kerala High Court dismissed the suit on the merits holding that the said name was descriptive in nature and there could be no monopoly over the same by the plaintiff despite use thereof by it for over 26 years.

11. Likewise is the view taken in the remaining two decisions referred to above as regards the legal position on use of trade name of descriptive nature.

12. The words "mutual funds" forming part of the plaintiffs' domain name of www.mutualfundsindia.com is the description of the character of the services offered by it. The material placed on record by the plaintiffs prima facie falls short of indicating that the aforesaid word has acquired a secondary meaning which is a pre-condition for granting protection to a descriptive name. Considering the ratio of the aforementioned decisions relied on behalf of the defendant, the plaintiffs cannot be said to have prima facie made out a case for grant of the ad interim injunction prayed for. In Yahoo Inc.'s case [1999] 19 PTC 201 (Del) and Rediff Communication Limited's case, MANU/MH/0308/1999 : AIR 2000 Bom 27, cases the domain names in question were not descriptive in nature.

manupatra 13. Consequently, I. A. No. 3708 of 2000 is dismissed.

© Manupatra Information Solutions Pvt. Ltd.