

Atul

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
NOTICE OF MOTION NO. 4244 OF 2006
IN
SUIT NO. 3979 OF 2002**

1. **LOKHANDWALA
CONSTRUCTION INDUSTRIES
PVT. LTD.,**
a Company incorporated under the
Companies Act, 1956 having its
Registered Office at 48, Indranarayan
Road, Santacruz (West), Mumbai – 400
054
2. **LOKHANDWALA BUILDERS PVT.
LTD.,**
a Company incorporated under the
Companies Act, 1956, having its
Registered Office at 48, Indranarayan
Road, Santacruz (West), Mumbai – 400
054

...Plaintiffs

versus

1. **LOKHANDWALA
INFRASTRUCTURE PVT. LTD.,**
a Company incorporated under the
Companies Act, 1956, having its
Registered Office at 72, Gandhi Nagar,
Drainage Channel Road, Worli, Mumbai
– 400 013.
2. **MOHAMEDBHAI A.
LOKHANDWALA,**

of Mumbai, Indian Inhabitant, at 5th
Floor, Batul Aman, Monland Road,
Mumbai – 400 003

3. **MOIZ MOHAMED
LOKHANDWALA,**
also of Mumbai, Indian Inhabitant
residing at Moon Star, Plot No. V/14C,
Tertulian Road, Of Dr. Peter Dias Road,
Bandra (W), Mumbai – 400 050
4. **ZEHRA MOHAMED
LOKHANDWALA,**
also of Mumbai, Indian Inhabitant
residing at Moon Star, Plot No. V/14C,
Tertulian Road, Of Dr. Peter Dias Road,
Bandra (W), Mumbai – 400 050
5. **RAJA INVESTMENT & TRADING
CO. PVT. LTD.,**
a Company incorporated under the
Companies Act having its Office at 38-
A, Kika Street, Gulal Wadi, Mumbai –
400 004

...Defendants

WITH
NOTICE OF MOTION NO. 3300 OF 2007
IN
SUIT NO. 2442 OF 2007

1. **LOKHANDWALA
CONSTRUCTION INDUSTRIES
PVT. LTD.,**
a Company incorporated under the
Companies Act, 1956, having its
registered Office at 48, Indranarayan
Road, Santacruz (West), Mumbai – 400

054

2. LOKHANDWALA BUILDERS PVT. LTD.,

a Company incorporated under Companies Act, 1956, having its Registered Office at 48, Indranarayan Road, Santacruz (W), Mumbai – 400 054

...Plaintiffs

versus

1. LOKHANDWALA BUILDERS PVT. LTD.,

a Company incorporated under the Companies Act, 1956, having its Registered Office at 72, Gandhi Nagardainik, Shivneri Road, Worli, Mumbai – 400 018.

2. MOHAMED ABDUL HUSSAIN LOKHANDWALA,

of Mumbai, Indian Inhabitant, residing at Zehra Villa, Khan Abdul Gafar Khan Road, Worli Seaface (North), Mumbai – 400 025

3. MOIZ MOHAMED LOKHANDWALA,

also of Mumbai, Indian Inhabitant residing at Moon Star, Plot No. V/14C, Tertulian Road, Of Dr. Peter Dias Road, Bandra (W), Mumbai – 400 050

4. ALIASGAR M. LOKHANDWALA,
of Mumbai, Indian Inhabitant, residing at Zehra Villa, Khan Abdul Gafar Khan Road, Worli Seaface (North), Mumbai – 400 025

Mr. Ashish Kamat, *with Mr. Shailesh Mendon & Mr. Avesh Kayser
& Taniya Liman, for the Plaintiffs.*

Dr. B. Saraf, *with Ms. Shoma Maitra, i/b M/s. Wadia Ghandy & Co.,
for the Defendants.*

CORAM: G.S. PATEL, J
DATED: 31st August 2015

ORAL JUDGMENT:

1. Both suits are actions in passing off. The Plaintiffs, a group of builders well known in Mumbai, seek to restrain the Defendants from using the word “**Lokhandwala**” or any other expression similar to it as part of their corporate name, trading style or in relation to their business. The Defendants are also in the construction business.
2. Notice of Motion No. 4244 of 2006 in Suit No. 3979 of 2002 has been pending for nine years. In the meantime, the Plaintiffs had filed an earlier Notice of Motion. That was allowed to be withdrawn with liberty to file afresh, and Notice of Motion No. 4244 of 2006 came to be filed in consequence.
3. The Plaintiffs also brought a second Suit No. 2442 of 2007 and filed Notice of Motion No. 3300 of 2007 in that suit. In that Notice of Motion, the Defendants made a statement on 4th September 2007 that the 1st Defendant would not commence or enter into commercial activities till the final disposal of the suit. That ad-interim order has continued till date. The order of 4th September 2007 also directed both Notices of Motion to be heard

together. The present order disposes of both the pending Notices of Motion.

4. Suit No. 3979 of 2002 was filed on 13th December 2002. The Plaintiffs' case is that the Plaintiffs are a renowned name in the construction industry in Mumbai. In 1979-1980, they commenced construction under the name "Lokhandwala", using it as their mark or brand. Various partnership firms, companies and other commercial entities were set up or incorporated by them using this name. They also began development of a very large township at what was then known as Oshiwara near Andheri and is now known only as "Lokhandwala", named after the Plaintiffs who did most, if not all, the construction there. Further companies were established by mid-1982. In 1992, the Lokhandwala Foundation was established. The Plaintiffs then took up the development of a 2000-acre township at Kandivali, also known as "Lokhandwala". They also constructed what was then called the Regent Hotel at Bandra, now known as The Taj Land's End. Given this background, Mr. Kamat for the Plaintiffs says that the name Lokhandwala, the surname of the Plaintiffs' first promoter and used by the group as a trading name or mark, has become synonymous with the Plaintiffs' entire group.

5. On 29th November 2002, the Plaintiffs issued a notice to the Defendants. A copy of that notice is at Exhibit "F" to the plaint. In this, the Plaintiffs alleged that the Defendants had dishonestly adopted the surname "**Lokhandwala**", identical to that of the Plaintiffs, and were using it in the same field of construction and housing. The Defendants were called on to cease and desist from

using the name “Lokhandwala”. The Defendants sent a *pro tem* reply on 2nd December 2002. There was no further reply and the suit No. 3979 of 2002 was filed.

6. Since then, a written statement has been filed and, of course, in addition there is a comprehensive Affidavit in Reply to Notice of Motion 4244 of 2006.

7. As I understand it, the defences seem to be principally that the word “**LOKHANDWALA**” is a family name or surname and carries no exclusivity. It is not permissible, the Defendants represented by Dr. Saraf say, to have a monopoly on any such name. It is also the surname of the Defendants’ own promoter. In any case, the Defendants have been using this name openly and continuously for a very long period of time before the Suit was filed. There is a long and unexplained delay on the part of the Plaintiffs and this is sufficient to deny them equitable relief. Dr. Saraf also points out that the Notice of Motion has remained without an effective interim order, other than the statement volunteered by the Defendants themselves in the second Notice of Motion, for the last nine years. In that time, the Defendants have continued using the name “Lokhandwala” and have done business in that name. It would be most inequitable to grant interim relief now, he submits, especially when Suit No. 3979 of 2002 is now ready for trial, the Plaintiffs having filed two Affidavits of Evidence and a very large volume of documents that are pending admission and denial.

8. To take the last question first, this is a matter not so much on delay on the part of the Plaintiffs as delays endemic to the judicial

system.¹ I do not think that we should ever contemplate a situation where, simply because Courts have not been able to take up a matter as expeditiously as is perhaps desirable, that a plaintiff should, only for that reason, find himself denied a relief to which he might otherwise be entitled. At best, this delay may require the adjustment or moulding of the relief. Whether, independent of the Court's delay, there has been delay on the part of the Plaintiffs is another matter and that must be separately addressed.

9. Dr. Saraf's submission is actually two-fold. He submits that not only is there a fatal delay on the part of the Plaintiffs in bringing the suit in the first place, but they had, or, at any rate, must be deemed to have had active knowledge of the Defendants use of the name "Lokhandwala". They sat quiet and did nothing. This cannot be without consequence. This is independent of his argument that the Plaintiffs can seek no proprietary rights in a common surname in the first place.

10. Dr. Saraf points out that the Defendants' firm began in 1988 and was registered in the name of "Lokhandwala Builders". The Defendants thereafter became members of various associations connected with the construction industry, housing federations and so on and, Dr. Saraf submits, it is inconceivable that the Plaintiffs being engaged in the very same field would be entirely unaware of this. In 1998, the Defendants began construction of a prominent building known as Lokhandwala Residency. They then carried on construction and took on other projects such as Lokhandwala Galaxy and Lady Ratan Towers. According to Dr. Saraf, the

¹ *Anglo-French Drugs & Industries Ltd v Eisen Pharmaceutical Company Pvt. Ltd.*, 1998 (18) PTC 692 (Bom)

Defendants have operated a website in their name since 1998 and have in fact even undertaken slum rehabilitation projects for the Government. It is not possible, Dr. Saraf submits, that the Plaintiffs were unaware of the Defendants' use of the name Lokhandwala. In any case, the Defendants' adoption of the name cannot be said to be dishonest. They have, after all, only used their own family name. There is absolutely no possibility of deception or confusion, he submits, for those who purchase properties are of a canny and discerning class able to distinguish between the Plaintiffs' projects and those of the Defendants.

11. To take the question of delay first, I believe Mr. Kamat is correct in relying on the decision of this Court in *Schering Corporation & Ors. v Kilitch Co. (Pharma) Pvt. Ltd.*² In that case, a Division Bench, citing a decision of a learned Single Judge of the Delhi High Court in *M/s. Hindustan Pencils Pvt. Ltd. v. M/s. India Stationery Products Co. & Anr.*³ said *inter alia* that once it is established that there is a visual and phonetic similarity and once it is established that the Defendants' adoption of the trade mark is not honest or genuine, then the consideration of any plea as to delay must be on the basis of a consideration of whether the Plaintiffs' conduct is such as might be said to have led the Defendants to assume an abandonment by the Plaintiffs. The delay of which we speak here is prior to the filing of the Suit and not after the Suit was filed. Mr. Kamat also relies on the decision of the Supreme Court in *Midas Hygiene Industries P. Ltd. & Anr. v Sudhir Bhatia & Ors.*⁴ in which the Supreme Court *inter alia* said that mere delay in bringing

² PTC (suppl)(2) 22 (Bom) (DB)

³ AIR 1990 Delhi 19

⁴ 2004 (28) PTC 121 (SC)

an action is insufficient to defeat a claim for an injunction. The matter turns, as it necessarily must, on assessment of whether adoption of the rival or impugned mark is since inception dishonest or at least cannot be said to be *bona fide*.

12. Turning now to the question of the defence that Lokhandwala is a family name and incapable of protection, I believe Mr. Kamat is justified in his reliance on the decision of a learned Single Judge of this Court in *Kirloskar Diesel Recon. (P) Ltd. & Ors. v. Kirloskar Proprietary Ltd. & Ors.*⁵ The learned Single Judge not only considered the question of delay (citing *Schering Corporation* as also *Power Control Appliances v. Sumeet Machines Pvt. Ltd.*⁶) but he also held that, by definition, ‘mark’ includes ‘name’ and the statutory use of the word or mark must also necessarily include a business name under which articles etc. are sold or services provided. There must be some nexus between goods and use of the mark. There is also then the question of balance of convenience. For, if it is shown that a plaintiff has been using the name for a very considerable period of time and has enjoyed wide publicity and reputation attendant to that use, then he is surely entitled to some protection in consequence.

13. Mr. Kamat also relies on the decision of the Supreme Court in *Mahendra & Mahendra Paper Mills Ltd. v. Mahindra & Mahindra Ltd.*⁷ The discussion in *Mahendra & Mahendra* especially in regard to the use of the name is one that covers not only Bombay High Court decision in *Kirloskar* but other similar decisions as well. The

⁵ 1997 PTC (17) 469

⁶ (1994) 2 SCC 448

⁷ 2002 (24) PTC 121 (SC)

Supreme Court in *Mahendra & Mahendra* in fact held, and I believe this lies even at the heart of this case, that the use of a name over a sustained period of time and in a manner that demonstrates considerable success results in its acquisition of a secondary, distinctive meaning in business or trade circles. People come to associate the name with a certain quality and certain range of products and services.⁸

14. In the present case, I have very little doubt that the Plaintiffs do find themselves in precisely this category. In Mumbai there is incessant construction. There are advertisements daily and ‘construction’ companies or enterprises abound. Many use the names – proper nouns or surnames. In this crowded field of builders jostling for projects, some, using their names, have acquired considerable goodwill and a reputation for standards and quality. Their names are uniquely associated with the construction and with a certain class or classes of housing: Mittal, Raheja, Lodha are among these. So, too, I would venture to suggest, is Lokhandwala.

15. Mr. Kamat is not wrong when he says that the word “Lokhandwala”, the name used by the Plaintiffs, has now come to describe a geographical area in Mumbai’s suburbs. This was a township developed by the Plaintiffs themselves. There is in the public mind and imagination an association of that area with the name of the Plaintiffs. I do not think it would be appropriate to suggest that the Defendants’ use of the name is entirely innocent.

⁸ *Dr.Reddy’s Laboratories Ltd. v. Reddy Pharmaceuticals Limited*, 2004 (29) PTC 435 (Del); *Bajaj Electrical Ltd. v. Metals & Allied Products*, 1988 (8) PTC 133 (Bom)

The material to which Dr. Saraf refers is not compelling. It is true that there are certain brochures but these do not by themselves indicate that these brochures were for anything except private circulation. An advertisement for recruitment is hardly indicative of the kind of widespread, extensive and concurrent use that would be sufficient to validate the defence. The use must be for the purposes in question and must be extensive. For example, Exhibit “H” to the Affidavit in Reply (also referred to the Written Statement) is a newspaper article in a Times of India supplement. It speaks of a slum rehabilitation scheme at Worli. The Defendants’ name is mentioned somewhere towards the end of the first paragraph of that newspaper article. There is then a reference to the Defendants making a donation or some contribution to the setting up of a public garden. None of this rivals the Plaintiffs’ use of the name. There are projects that do not even carry the Defendants’ name (for example Lady Ratan Towers).

16. The picture Dr. Saraf attempts to draw is of two groups, both using the same name, both starting out several years ago and both operating in the same field. One goes ahead, perhaps, of the other but in his portrayal, this does not make the second’s use of the name ‘dishonest’. If the statute itself contemplates *bona fide* concurrent user, subject to certain conditions or restrictions, he argues, then there is no reason to grant the injunction. Dr. Saraf attempts to put some distance between this case and *Kirloskar*; it is not as if there is no evidence at all of the Defendants’ use of the name. This may not be entirely accurate. The Defendants’ firm using the name Lokhandwala, began in 1988. This was not then, as Mr. Kamat points out, a company and it did not till then have any

track record of work in the field. The Plaintiffs, on the other hand, had by then already established a significant reputation in their use of their name as builders, most notably perhaps in their Oshiwara project. Consequently, if I am not convinced that the Defendants' use of the name is indeed entirely innocent, innocuous or entirely *bona fide*, but am instead inclined to believe that the Plaintiffs' use of the name is not only extensive and well established but that there is a *prima facie* case to be made in passing off, then Mr. Kamat is certainly entitled to some reliefs.

17. Moreover, this is an action in passing off, and there may be third parties who assume that the Defendants' constructions are in fact those of the Plaintiffs, and consequently alter their circumstances to their detriment. This necessitates at least some level of relief. As I have mentioned previously, Dr. Saraf attempts the submission that those who purchase properties are members of a discerning class who would be capable of distinguishing between the two. I think this is the purest speculation. While such buyers do often conduct their own due diligences, I find it hard to believe that this would necessarily include an investigation of precisely which Lokhandwala they are dealing with, particularly if there is a common public association with one of them and not the other. The material annexed to the Affidavit in Reply does not also indicate the kind of recognition or public awareness that might enable third party purchasers to easily tell one from the other. A flat purchaser would first be drawn by the fact that the proposed construction is "by Lokhandwala", assuming quite understandably that this is a project by the Plaintiffs. It would be wholly unrealistic to expect every flat purchaser to then minutely scrutinize material and to be

able to tell from, say, one of a raft of names that might be used by the Defendants that this is not after all a project by the Plaintiffs but by their rivals. When we speak of ‘confusion’ or ‘deception’ in the context of passing off – and indeed, the very expression ‘passing off’ itself – all suggest that the overarching consideration is not merely an individual proprietary rights or claims but of the public interest. How will a consumer view the rival marks? Will he or she readily be able to tell one from the other? Is he or she likely to confuse the two rival users? If so, then an injunction must follow.

18. Dr. Saraf is correct in saying however that it is neither fair nor permissible for the Court at this stage to order a complete reversal of all that has passed in the last nine years since this Notice of Motion of 2006 was filed. It is not possible to have the clock set back that far. I do not think it would be fair to grant the injunction as prayed. Any restraint against the Defendants from using the word “LOKHANDWALA” can and must operate only from this point onwards. It also cannot affect or restrain the Defendants from completing any ongoing or incomplete projects already undertaken in that name or from completing and undertaking any statutory obligations that they may have in relation to existing projects. The injunction that I would grant would be to restrain the Defendants from commencing any *new* project using the word “Lokhandwala” as part of the project name. At this stage, I am also not prepared to grant the injunction sought to compel the Defendants to entirely change their name; that much can await trial. To order that today would be to more or less decree the suit on the Motion at a time when the suit itself is ripe for trial. That trial can well be expedited.

It seems to me fair that the relief in respect of the Defendants' corporate name can await the final hearing of the Suit.

19. Both the Notices of Motions are disposed of in the following terms, viz.:- The Defendants shall not from the date of this order onwards use the name "LOKHANDWALA" or any other name deceptively similar to it, in relation to any new construction project, it being clarified the Defendants are at liberty to complete all existing or ongoing projects using that name (including projects where bookings have opened or building permissions have been obtained or applied for even if actual construction has not commenced). The Defendants are also not required to change their corporate name at this stage. The Defendants shall, however, on their website and all other publicity or promotional material include a disclaimer specifically stating that they are not in any way connected with the Plaintiffs' group and, specifically, with "Lokhandwala Builders". The ad-interim statement by the Defendants in relation to Lokhandwala Builders Pvt Ltd, the 1st Defendant in Suit No. 2442 of 2007 is to continue, i.e., the Defendants shall not do any business or commercial activity in that name.

20. Dr. Saraf seeks stay of the operation of this order. Given the fact that these Notices of Motions have been pending for a considerable period of time, the operation of this order is stayed for a period of six weeks from today.

(G. S. PATEL, J.)