

In the High Court of Punjab and Haryana, at Chandigarh

F.A.O. No. 18 of 2021 (O&M)

Date of Decision: 15.09.2021

Tarsem and Company alias Telco Industries also known as Texla Pumps Hi-Power Industries and Others

... Appellant(s)

Versus

Virdi Motors Private Limited and Another

... Respondent(s)

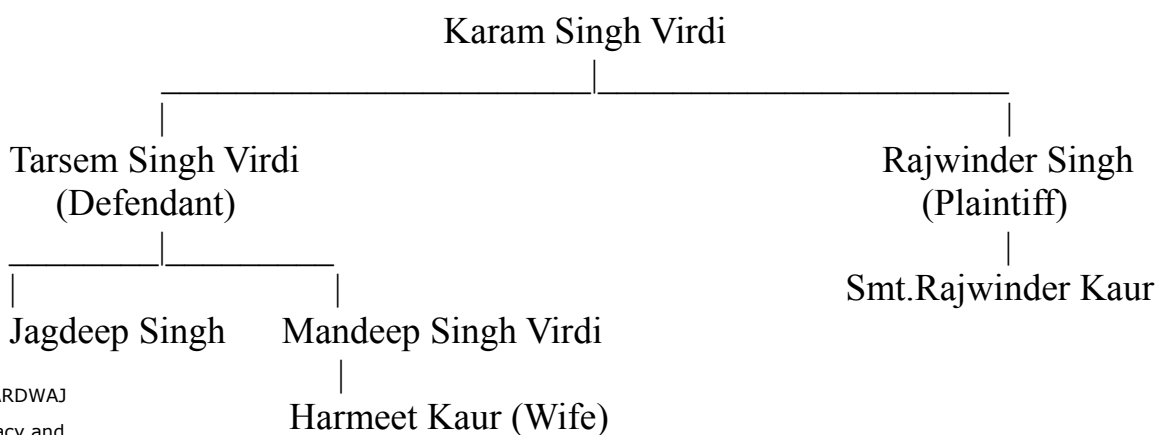
CORAM: Hon'ble Mr. Justice Anil Kshetarpal.

Present: Mr. Keshav Pratap Singh, Advocate
for the appellant(s).

Mr. Gaurav Arora and Mr. Kamal Kishore Arora,
Advocates, for the respondents.

Anil Kshetarpal, J.

1. Through this appeal, the appellants (the defendants in the suit) assail the correctness of the order of the Additional District Judge, Amritsar, passed under Order XXXIX Rule 1 and 2 of the Code of Civil Procedure, 1908 (hereinafter referred to as “CPC”) while restraining them from using their registered trademarks “Virdi Pump Industries”, “T.S.Virdi Pumps Private Limited” and “T.S.Virdi” in a suit filed by the plaintiff/respondents. Before this Bench proceeds further, it would be appropriate to draw a small pedigree table in order to understand *inter-se* relationship between the parties:



FACTS

2. It is evident that the plaintiffs and the defendants are companies or firms floated by the members of family having a common ancestor namely late Sh. Karan Singh Virdi except M/s Durga Sales. These firms and companies are owned by the family members. The plaintiffs filed a suit claiming that the company is manufacturing, selling and marketing electric motors, motors, mono block pumps, pumping sets (inclusive of submersible pumps and sewage submersible pumps for irrigational, industrial and domestic use), sanitary fungus pumps, grinders and polishing motors and parts thereof. The company initially started using the trademark “Viridi” in the year 1960 and after that the trade name “Viridi Motors Private Limited” and subsequently, the trademark “Viridi Pumps Private Limited” was being used. The company got its trademark “Viridi” and subsequently, the trademark “Viridi” in the Cursive writing, registered. It is claimed that in the month of August, 2020, the defendants started using a deceptively similar name. Formerly, the defendants were working under the name “Surya Pump Industries” but now they have started writing “Viridi Pump Industries Private Limited” and “T.S.Viridi Pump Limited”.

3. Per Contra, the defendants contested the suit while asserting that the plaintiffs have not come to the Court with clean hands. It was pointed out that the Director of the plaintiff-company is the younger brother of defendant-Tarsem Singh Virdi and it was he (Tarsem Singh Virdi) who along with his father Karam Singh Virdi promoted the plaintiff company; and established the business and the impugned trademark. Subsequently, Tarsem Singh started his own business while allowing Rajwinder Singh to

become the Director in the plaintiff company. It has further been pointed out that Tarsem Singh also has a proprietorship firm “Tarsem and Company” whose name was later on changed to “Texla Pump Hi-Power Industries”. Besides this, Tarsem Singh Virdi has obtained registration of trademarks, namely “T.S.Virdi” vide registration No. 3979077, “Viridi Pump Industries” vide registration No. 4043492, “VPI” vide registration No 4234620 and 4408370. The defendants are old businessmen having established their business in manufacturing and marketing of the electric pumps, submersible pumps, electric motors and allied products, besides providing installations and repairing services for the same. The other defendants Jagdeep Singh Virdi and Mandeep Singh Virdi are the sons of Tarsem Singh Virdi, whereas Smt.Harmeet Kaur is the wife of Mandeep Singh Virdi son of Tarsem Singh Virdi. They have been using the trademark, namely “Viridi Pump Industries” bonafidely and honestly since 06.04.2015. It was further pointed out that a firm run by Smt. Rajwinder Kaur i.e. M/s King Sales has been purchasing the products manufactured by the defendants and she never raised any objection. It has further been pointed out that Virdi is an integral part of their name as it is a family name/surname and therefore, in view of Section 35 of the Trade Marks Act, 1999 Act (hereinafter referred to as “the 1999 Act”), no one can claim an exclusive right to use the expression “Viridi”.

4, On perusal of the order, it is evident that the trial Court, while granting injunction, has recorded the following reasons:-

“1. Apart from it, it is alleged that respondents have got registered various trade marks namely 'TS Virdi', 'Viridi Pumps Industries Pvt. Ltd.', but in para no.2 of its

preliminary objections on 3rd page in middle, himself has alleged , 'though these companies have all the legal rights to adopt and use the impugned trade mark 'Viridi' yet these have not started doing any business under their respective names and have not exploited the impugned trade mark for any commercial purpose. Moreover, the respondents M/s. TS Viridi Pumps Pvt. Ltd., M/s. Viridi Pumps Industries Pvt. Ltd., Mandeep Singh and Harmeet Kaur are no more inclined to do any business in M/s T.S. Viridi Pumps Pvt. Ltd and M/s. Viridi Pumps Industries Pvt. Ltd. and are likely to close these two companies after complying with due provisions of law'. Although, it is alleged that they are likely to close these two companies, but they have not closed the same, it means, they are not holding honest intention.

- 2. The defendants are not the prior users.*
- 3. The defendants are deceptively using the similar name and trade mark of the plaintiff company so as to unlawfully gain by causing loss to the plaintiff-company and cheating the general public.*
- 4. The defendants have failed to establish that they are using the trade mark “Viridi Pumps Industries” in short “VPI” since 1960. The trade mark “T.S.Viridi” has been registered on 03.05.2019 in respect of treatment of material assembling, manufacturing of submersible*

pumps and electric motors under Clause (40), whereas the registration of the plaintiff-company is under Clause (7)”.

5. Heard the learned counsel representing the parties and with their able assistance, perused the paper-book as well as the record of the suit.

Arguments of the learned counsel

6. The learned counsel representing the appellants, while highlighting that the plaintiff and the defendants have common ancestors and the defendant is the elder brother of the plaintiff and further submits that the defendant has promoted, nurtured and worked for the progress of the plaintiff's company “Virdi Motors Private Limited” along with his father. It was submitted that “Virdi” is their surname and therefore, the plaintiffs cannot claim an exclusive right to use the same in view of Section 35 of the 1999 Act. While drawing the attention of the Court to Annexure A13, the appellants contend that the plaintiffs and the defendants are next door neighbors and “Virdi Pumps Industries Limited” is working since 2015. It was further highlighted that the plaintiffs have concealed the material facts while filing the suit and as a consequence, the trial Court has erred in granting the injunction. While referring to page 315 and 317 of the records, the learned counsel representing the appellants contends that Smt. Rajwinder Kaur, the wife of the Director of the plaintiff company, is regularly dealing with the defendants since the year 2017 and this fact has been concealed. He further, while drawing the attention of the Court to the judgment relied upon by the trial Court to grant injunction in *S. Syed Mohideen v. P. Sulochana Bai (2016) 2 SCC 683* contends that this judgment has no application

because the same is based upon the fact that a right of a prior user is superior to that of a registered owner.

7. Per contra, the learned counsel representing the respondent/plaintiffs, while referring to the various statutory provisions, contends that as the registered trademark under Clause (7) of Fourth Schedule is with the plaintiffs, consequently, the Court has correctly restrained the defendants. He further contends that the intention of the defendants is not bonafide. He, while referring to the written statement, has submitted that the defendants have taken contradictory stands in para 4, 7, 9 and 20 of the written statement. He further submits that the defendant's trademark is registered under Clause (40) of the Fourth Schedule of the 1999 Act.

8. It may be noted here that during the hearing, when the attention of the learned counsel representing the plaintiffs was drawn to the documents with respect to M/s King Sales, wherein the wife of the director of the plaintiff company is the proprietor, he stated that he does not know whether Smt. Rajwinder Kaur is the proprietor of the Kings Sales or not. The learned counsel representing the respondent/plaintiffs was also requested to prove the bonafides of the plaintiffs in filing the suit, however, he took a stand that as the plaintiff company is already the proprietor of the trademark, therefore, its conduct is irrelevant.

Analysis by the Bench

9. The 1999 Act has replaced the Trade and Merchandise Marks Act, 1958 (hereinafter referred to as "the 1958 Act"). Under Clause (d) of Section 9 of the 1958 Act, the registration of surname as trademark was

prohibited. However, in the 1999 Act there is no provision to allow or disallow the user to use surname or personal names. Section 35 of the 1999 Act provides that the proprietor or a registered user of the registered trademark shall not interfere with any bonafide use by a person of his own name or that of his place of business or of the name of the place of business or of any office-predecessor-in business. Section 35 of the 1999 Act is extracted as under:-

“35. Saving for use of name, address or description of goods or services.—Nothing in this Act shall entitle the proprietor or a registered user of a registered trade mark to interfere with any bona fide use by a person of his own name or that of his place of business, or of the name, or of the name of the place of business, of any of his predecessors in business, or the use by any person of any bona fide description of the character or quality of his goods or services”.

10. In India, conducting the business in the personal name or one's surname is not a new concept. The practice of adopting a surname for the name of business is done purely so that the customers can easily associate or relate the surname so adopted with that particular business. Due to increasing number of businesses in India, the registration of a brand or a business with a surname has attracted much controversy as it leads to deception and confusion in the minds of public, leading to suits with two parties fighting it out for a surname. Though the protection of the surnames as a trademark is difficult, however, the Courts have been making efforts to protect the trade marks that have already acquired well known trademark

status under the 1999 Act. However, in other cases, the Courts in view of Section 35 of the 1999 Act generally refuse to grant protection to the proprietor or a registered owner of the trademark. On a careful reading of Section 35 of the 1999 Act, it is clear that even under the new Act, the bonafide use of name, address or description of the goods or service is protected even from the proprietor or a registered user of a trademark.

11. It is not in dispute that the parties to the litigation are the members of a bigger family. It is also not in dispute that “Virdi” is a surname used normally by the Sikhs belonging to Ramgarhia community. It is also apparent that the defendants use “VPI” as their normal trademark, which is an abbreviated form of “Virdi Pump Industries”. It is also not in dispute that the appellants have had got registered “Tarsem Singh Virdi”, “VPI” and “Virdi Pump Industries” as their registered trade marks. Furthermore, it is also not in dispute that the plaintiffs have concealed the material facts while filing the suit. The plaintiffs did not disclose that both the plaintiffs and the defendants are the successors-in-interest of late Sh.Karam Singh Virdi and the company, namely “Virdi Motors Private Limited” was started by late Sh.Karam Singh Virdi along with his elder son Tarsem Singh Virdi, who is the defendant in the suit. It has also not been disclosed that the plaintiffs and the defendants are the next door neighbours. Their businesses premises are also adjoining to one another. Moreover, the plaintiffs have also failed to disclose that “Virdi Pump Industries” has been operating since 2015. It has further not been disclosed that Smt.Rajwinder Kaur (wife of the Director of the plaintiff-company), is regularly dealing with the defendants since 2017. However, when the learned counsel

representing the plaintiffs was called upon to explain, he refused to answer the Court question. Furthermore, these facts were asserted by the defendants in their written statement, however, no replication was filed thereto. Moreover, it is also not in dispute that the plaintiffs made an attempt to get “VPL” trademark registered, which was objected to by the defendants. The defendants claim that the present suit is in retaliation to the objection of the defendants.

12. Now, let us examine the reasons recorded by the Court while granting the injunction.

13. The first reason is that although the defendants have alleged that though some of the defendants’ companies have all the legal rights to adopt and use the trademark “Virdi” yet these companies have not started doing business under their respective names and have not exploited the impugned trademark for any commercial purpose. The defendants have further stated that Mandeep Singh and Smt. Harmeet Kaur are no longer inclined to do any business in “M/s T.S.Virdi Pump Private Limited” and “Virdi Pump Industries Private Limited” and are likely to close these two companies after complying with the provisions of law. In the considered opinion of this court, the aforesaid fair stand of the defendants can not be made a basis to grant injunction. However, the Court below, rather than taking a pragmatic view of the fair stand taken by the defendants, went on to observe that the defendants do not have honest intentions.

14. Furthermore, the second reason given by the Court, while granting injunction, is that the plaintiffs are the prior users. It would be noted here that from the facts available on record, it is evident that the

defendant-Tarsem Singh Virdi used to work with his father late Sh.Karam Singh Virdi and they had not only set up the company together, but also nurtured it for a long time. It is a different matter that Tarsem Singh Virdi, later on, separated and set up his own business. Late Sh.Karam Singh Virdi remained alive upto the year 2016. Hence, the plaintiffs cannot claim that they are the prior users. Moreover, once it is not in dispute that the trademark is a part of the name of both the plaintiffs and defendants being their family's surname, then in view of Section 35 of the 1999 Act, it is not appropriate for the trial Court to grant the injunction. Further, the Additional District Judge, although on more than one occasion used the expression that the defendants are deceptively using a similar name and trademark so as to gain unlawfully, however, failed to substantiate the aforesaid observation on the basis of any material on the record. It is apparent from the perusal of the trade marks used by both the parties that they are not only distinct, but even design of their labels is different. On the one hand, the defendants normally use the trademark “VPI”, whereas the plaintiffs use the trademark “Viridi”. No doubt, while referring to the name of the manufacturer, both the parties do use their surname i.e. “Viridi”, however, that is not sufficient to create confusion, particularly when the trademarks used by both the parties are materially different.

15. The usage of one’s surname in the course of trade cannot be restricted even by a registered proprietor provided the use is bonafide. Surname forms an essential part of a person’s name. Bonafide usage means the honest use of a person’s surname i.e. of his own name, with no intention to harm/hurt/steal the goodwill of another trader.

16. Further, the Supreme Court in ***Precious Jewels and Another v. Varun Gems (2015) 1 SCC 160***, after noticing that “Rakyan” is a family name and is in use bonafidely, set aside the order of injunction granted by the High Court in the civil suit. The Court referred to Section 35 of the 1999 Act and held as under:

10. As stated hereinabove, Section 35 of the Act permits anyone to do his business in his own name in a bona fide manner. In the instant case, it is not in dispute that the defendants are doing their business in their own name and their bona fides have not been disputed. It is also not in dispute that the plaintiff and defendants are related to each other and practically all the family members are in the business of jewellery”.

Furthermore, a Division Bench of the Delhi High Court in ***Goenka Institute of Education and Research v. Anjani Kumar Goenka and Another 2009 SCCOnline Delhi 1691*** held that the use of word “Goenka” which is a common surname cannot be stayed or prohibited. Moreover, a Division Bench of the Bombay High Court in ***Manish M. Turakhia and Another v. Neerav N. Turakhia 2016 SCOnline Bom 15576*** refused to grant injunction from the use of surname “Turakhia”.

17. The next reason assigned by the lower Court is that the defendants are writing that they are working since 1960 under their trademark. It would be noted here that the learned counsel representing the appellants (defendants) has stated that he will delete the mention of “since 1960” from the label.

18. The next reason assigned by the Court is with reference to the registered trademark “T.S.Virdi” on 03.05.2019. The Court has observed that such registration is in Clause (40) of the 1999 Act, It would be noted here that even in the absence of the registered trademark, the name or surname of the person can be used by the party. Hence, the Court erred in giving undue weightage to the fact that the registered trademark of the defendants falls in Clause (40) and not in Clause (7) of the 1999 Act.

19. It is well settled that before the plaintiffs are held entitled to the injunction, they are required to prove a good *prima facie* case, balance of convenience in their favour and irreparable loss and injury which is likely to be suffered by them. It is crystal clear that the trial Court has failed to satisfy itself of the aforesaid well established requirements to grant injunction.

20. The basic test in such cases to find out as to whether the use of the name or surname as a trademark is honest and bonafide or not? In the considered opinion of this Bench, in the facts of the present case, the intention of the defendants, *prima facie*, cannot be held to be dishonest or malafide.

21. As the suit is pending, therefore, it would not appropriate to further elaborate on the matter. Keeping in view the aforesaid discussions, the appeal filed by the appellants deserve to succeed, subject to what has been noticed in the judgment. The order passed by the Additional District Judge is set aside, resulting in dismissal of the application under Order XXXIX Rule 1 and 2 CPC. Furthermore, since the dispute is with regard to usage of a trademark which has huge impact in the business world, therefore, the trial Court is requested to make sincere endeavours for

conclusion of the trial of the suit within one year and six months from the date of the receipt of a copy of this order.

22. The miscellaneous application(s) pending, if any, shall stand disposed of.

(Anil Kshetarpal)
Judge

September 15, 2021
“DK”

Whether speaking/reasoned :Yes/No

Whether reportable : Yes/No