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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

Date of decision: 19th July, 2019

\+ **CS(COMM) 157/2017 & I.A. 10119/2014**

THERMAX LIMITED ..... Plaintiff

Through: Mr. N.K. Bhardwaj & Mr. Bikash Ghorai, Advocates (M-9810147174)

versus

THERMAX ENGINEERS PVT LTD ..... Defendant

Through: None.

CORAM:
JUSTICE PRATHIBA M. SINGH

Prathiba M. Singh, J.(Oral)

1. The Plaintiff – Thermax Limited has filed the present suit seeking permanent injunction restraining infringement of trade mark and trade name, passing off, etc. in respect of its trade name 'THERMAX'. The case of the Plaintiff is that it had coined and adopted the mark 'THERMAX' in 1974 and the same is being used as a trademark, house mark and is also a distinctive and prominent mark of its corporate name. The changes in the constitution of the company – Thermax Ltd, from Thermax India Pvt. Ltd leading up to it becoming a listed company on 9th January, 1995, has been explained in paragraph 4 of the plaint.

2. The mark 'THERMAX' is also a registered trademark in India as detailed in paragraph 5 of the plaint in various classes of goods and services. The mark is also registered in several foreign countries such as Bahrain, China, CTM, Egypt, Hong Kong, Indonesia, Israel, Japan, Malaysia, Nepal, Pakistan, Philippines, Qatar, Saudi Arabia, Singapore, Thailand, Turkey, UAR, Vietnam, etc. The details of the said registrations have also been enumerated in paragraph 6 of the plaint.

3. The Plaintiff company has promoted its business through its website www.thermaxindia.com. It has several international offices across 75 countries and the sales turnover of the Plaintiff is more than Rs.4,000 crores per annum.

4. Sometime in May, 2014, the Plaintiff came to know that the Defendant had started using the corporate name 'Thermax Engineers Pvt. Ltd'. Further enquiries revealed that the company was incorporated on 30th October, 2012 with the Registrar of Companies, Delhi (*hereinafter 'ROC'*). Its Memorandum and Articles of Association explain its business areas as being almost identical to that of the Plaintiff, i.e., installation, ducting, fitting, repairing and maintenance of air conditioners and refrigerators, technical consultation, engineering services etc. The Memorandum and Article of Association have been filed on record. According to the Plaintiff, the use of the word 'THERMAX' as part of the Defendant's corporate name is violative of its statutory rights under the Trademark Act, 1999 as the mark 'THERMAX' is a well-known mark. The present suit was then filed for seeking reliefs of permanent injunction, delivery up and rendition of accounts. Vide order dated 23rd May, 2014, this Court had granted *ex-parte* ad-interim injunction in the following terms:

> *"...The contention of the plaintiff's counsel is that the use of the identical name and corporate name which forms part of the trade mark THERMAX, which is a registered trade of the plaintiff, is amounting to infringement of trade mark and passing off. He states that it is a well known trade mark. The same is protected under Section 29(4) of the Act. Therefore, the said trade mark is protected in relation to the dissimilar goods. He further states that since the plaintiff's trade mark has been used in the defendant's*

corporate name, therefore, it is also the case of infringement of trade mark within the meaning of Section 29(5) of the Act. As far as delay is concerned, he states that it has come to the notice of the plaintiff only in the month of May, 2014. Therefore, there is no delay on the part of the plaintiff.
Notice for the date fixed.
Considering the overall facts and circumstances of the case, till the next date of hearing, the defendant is restrained from using the plaintiff's trade mark THERMAX as well as part of its corporate name."

5. The Defendant, thereafter entered appearance and filed its written statement. Vide order dated 24th November, 2016, a submission was made before the Joint Registrar by the Ld. counsel for the Defendant that the Defendant has discontinued its trade name and has adopted a new name. The said order reads as under:

"CS(OS) 1555/2014 and IA No.10119/2014 u/O XXXIX R.1&2 CPC moved by plaintiff

Learned counsel for defendant has submitted that defendant has discontinued its trade name and has adopted the new name and requisite formalities in this regard have been completed.
Learned counsel for plaintiff has stated that in case that be so, an appropriate application u/O XXIII CPC shall be moved shortly. Accordingly re-notify the matter for settlement or in the alternative for admission/denial of documents on 23.02.2017."

6. Subsequent thereto, the Plaintiff conducted the admission/denial of documents. However, the Defendant failed to conduct the same. Since 14th November, 2018, the Defendant has not appeared before the Joint Registrar on four occasions. Under these circumstances, the case has been listed

before this Court.

7. A perusal of the written statement filed by the Defendant shows that the primary defence raised therein is that the Defendant has been able to secure registration by the ROC and hence it is entitled to use the same. The Defendant has relied upon the provisions of the Companies Act, 1956 to state that since the ROC is expected to look into any objectionable name, the grant of registration shows that the ROC has conducted its due diligence before grant of registration of the corporate name.

8. Apart from this defence, the other defence raised is that there is no similarity between 'Thermax Ltd.' and 'Thermax Engineers Pvt. Ltd.'

9. A perusal of the plaint shows that the Plaintiff is the prior user and adopter of the mark 'THERMAX' since 1974. The Plaintiff company has been in existence for more than 40 years and it has been using the impugned mark not only in India but in several foreign countries. The Defendant's defence that the registration by the ROC legitimises the use of the word 'THERMAX' as part of its corporate name is no longer *res integra*. The same has been considered in several judgments including ***Montari Overseas Ltd. v. Montari Industries Ltd., (1996) 16 PTC 142***, ***Kirloskar Diesel Recon (P) Ltd. v. Kirloskar Proprietary Ltd., AIR 1996 Bom 149***, wherein it has been held that the registration by the ROC is not a defence to an infringement or a passing off action. The relevant paragraphs of ***Montari Overseas Ltd. v. Montari Industries Ltd. (Supra)*** are extracted below:

> ***"6.*** *The first ground of attack against the order of the learned single Judge is based on Sections 20 & 22 of the Companies Act. Learned counsel submitted that the Central Government had allowed the incorporation of the company as 'Montari Industries Limited' and if the*

respondent was aggrieved of the same, it could have applied for rectification of the name of the appellant company to the Central Government and should have utilised the remedy under the Companies Act.

7. *We have considered the submission of learned counsel but we have not been persuaded to accept the same. Section 20 of the Companies Act, 1956 provides that no company will be registered by a name which is similar or identical or too nearly resembles the name by which a company in existence has been previously registered. In case where a company has been incorporated with a name which is identical or too nearly resembles the name of a company which has been previously incorporated, Section 22 makes a provision for getting the name of the former altered. No doubt, Section 22 makes provision for rectification of the name of a company which has been registered with undesirable name but that does not mean that the common law remedy available to an aggrieved party stands superseded. The plaintiff will have two independent rights of action against the defendant who may be using the corporate name of a previously incorporated company, one under Section 22 of the Companies Act and the other for injunction restraining the defendant from using the corporate name of the plaintiff or from using a name bearing a close resemblance which may cause or which is likely to cause confusion in the minds of the customers or general public in view of the similarity of names. Both the remedies, one under Section 22 and the other under the common law operate in different fields. Under section 22 of the Companies Act, the Central Government has no jurisdiction to grant any injunction against the use of an undesirable name by a company whereas in a suit for permanent injunction the Court can pass an order injuncting the defendant from using the name which is being passed off by the defendant as that of the plaintiff. In K.G. Khosla Compressors*

Ltd. v. Khosla Extraktions Ltd., AIR 1986 Delhi 181, the plaintiff filed a suit against the defendant for permanent injunction restraining the latter from using, trading or carrying on business under the name and style of Khosla Extraktions Ltd. on the ground that the plaintiff was incoporated as K.G. Khosla Compressors Ltd. prior to the incorporation of the defendant and it cannot be allowed to imitate or copy the trade name of the appellant. Alongwith the suit, the plaintiff had filed an application under Order 39 Rules 1 and 2 for temporary injunction restraining the defendant from using, trading and carrying on business and from entering capital market and making public issue under the name M/s. Khosla Extraktions Ltd. In that application, the defendant had taken the same plea which has been taken in the present case about the competence of the Court to grant relief in view of Sections 20 and 22 of the Companies Act, 1956. The learned single Judge after review of the case law held that the Court would have jurisdiction to grant injunction and Sections 20 and 22 of the Companies Act, 1956 in no way limit the jurisdiction of the Civil Court. In this regard, the Court observed as follows:—

> *"But, then in the present suit the plaintiff has also based its cause of action on passing off of the name of defendant No. 1 as that of the plaintiff. I would rather say that the jurisdiction of the Central Government under Ss. 20 and 22 of the Act and the jurisdiction of the Civil Court operate in two different fields. Further the Central Govt. has to act within the guidelines laid down under S. 20 of the Act, while there are no such limitations on the exercise of jurisdiction by the Civil Court."*

8. The view taken by the learned single Judge in that decision, if we may say so with respect, lays down the correct law. Accordingly, we find no force in the submission of the learned counsel for the appellant which is hereby rejected."

This settled legal position has been reiterated in various judgments. The fact that the corporate name of a company can be injuncted in a trade mark infringement and passing off action is conclusively settled in the judgment of the Supreme Court in ***Mahendra & Mahendra Paper Mills Ltd. v. Mahindra & Mahindra Ltd., (2002) 2 SCC 147***.

10. The mark 'THERMAX' is extremely well-known. The services which the Defendant offers as per the Memorandum and Articles of Association are also identical to that of the Plaintiff. Further, as recorded in the order dated 24th November, 2010, the Defendant has already confirmed that it will change its name during the pendency of the present suit. Under these circumstances, no *ex-parte* evidence needs to be led. Under the provisions of the Commercial Courts Act, 2015, as also in view of the recent judgments of this Court in ***Everstone Capital Advisors Pvt. Ltd. v. Akansha Sharma, [CS (COMM) 1028/2016, Decided on 17th July, 2018], VRS Foods Ltd. v. Prem Chand, [CS (COMM) 365/2016, Decided on 30th August, 2018] and Super Cassettes Industries Pvt. Ltd. v. M/s. I-Vision Digital LLP, [CS (COMM) 905/2018, Decided on November 12, 2018]***, *ex-parte* evidence is not needed in all matters if the issues can be decided on the basis of the pleadings and documents. The relevant portion of ***Super Cassettes Industries Pvt. Ltd. v. M/s. I-Vision Digital LLP (Supra)*** is as follows:

> ***"5.*** *... It is now settled, in view of the provisions of The Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts (Amendment) Act, 2018 as also the Delhi High Court (Original Side) Rules, 2018, that it is no longer necessary in every matter, even when the Defendant is not appearing, that the Plaintiff has to lead evidence.*

> *The filing of evidence can be exempted, if from the pleadings and documents relied upon, the suit can be decided. This is the settled position as held in by this Court in Everstone Capital Advisors Pvt. Ltd. v. Akansha Sharma, CS (COMM) 1028/2016, Decided on 17th July, 2018 and VRS Foods Ltd. v. Prem Chand, CS (COMM) 365/2016, Decided on 30th August, 2018."*

11. The Plaintiff is thus entitled to a permanent injunction against the Defendant from use of the word/mark THERMAX. The suit is accordingly decreed in terms of paragraph 29 (i), (ii) and (iii) of the prayer in the plaint. None of the other reliefs are pressed.

12. Since the Defendant had agreed to give up the mark at an early stage of the proceedings, costs of Rs.1 lakh are awarded to the Plaintiff. Decree sheet be drawn accordingly. All pending I.A.s are disposed of.

PRATHIBA M. SINGH
JUDGE

JULY 19, 2019
Rahul