

[A. LOIZOU, J.]

1973
April 16

IN THE MATTER OF ARTICLE 146 OF THE
CONSTITUTION

FASHIONS
HOUSE

FASHIONS HOUSE,

v.

Applicant,

REPUBLIC
(OFFICIAL
RECEIVER AND
REGISTRAR OF
COMPANIES)

and

THE REPUBLIC OF CYPRUS, THROUGH
THE OFFICIAL RECEIVER AND
REGISTRAR OF COMPANIES,

Respondent.

(Case No. 76/72).

Business or Trade Name—Recourse against registration of business name as being misleading—Undesirable name—Section 55 of the Partnership and Business Names Law, Cap. 116—Registration within discretion of Registrar (the respondent)—Principles to be applied in determining whether discretion properly exercised—English principles—Descriptive words used—Primary meaning—When does a word acquire a secondary meaning so as to mean the applicant's goods and not merely goods of the class denoted by its primary signification—"Fashions House"—"Louis Fashion House"—Addition by interested party of another word, in this case the word "Louis", supra, to distinguish his title from that of the applicant—Reasonably open to the respondent Registrar to decide as he did viz. to register interested party's business name "Louis Fashion House", in the light of the material before him—And the Court cannot in the circumstances substitute its own discretion for that of the Registrar—See further infra.

Passing off—Tort—Redress—The unsuccessful applicant in this case is not precluded from pursuing his claim in the appropriate civil Court—Normally founded on the tort of passing off, and seek redress, including an injunction.

1973
April 16

FASHIONS
HOUSE

v.

REPUBLIC
(OFFICIAL
RECEIVER AND
REGISTRAR OF
COMPANIES)

Administrative Law—Discretionary powers of the administration—When properly used, the Court will not substitute its own discretion for that of the administrative organ concerned (See Merck v. The Republic and Another (1972) 3 C.L.R. 548, at p. 564 and the authorities stated therein).

The applicant, trading under the business name “Fashions House” duly registered in 1954 under Registration No. 1489, prays by his present recourse under Article 146 of the Constitution for a declaration that the decision of the respondent to register the business name “Louis Fashion House” on January 18, 1972, at the application of the interested party L.X., is null and void.

It was contended by the applicant that the presence of two similar words, namely, “Fashions House” in the business name of the applicant and “Fashion House” in the business name of the interested party, is likely to deceive and cause confusion, being almost identical and in view of the past co-operation of the parties.

The Registrar of Partnerships accepted the business name “Louis Fashion House” of the interested party as, in his opinion, it was not so similar to the aforesaid business name of the applicant as to be “undesirable” to be so registered under the provisions of section 55 of the Partnership and Business Names Law, Cap. 116, because the applicant’s business name consists of words describing the nature of his business and no monopoly or exclusivity could be acquired for such words as these would tend to embarrass and prevent other traders from describing likewise their business.

It should be noted that the applicant is a trader and importer of goods, in particular ladies dresses; generally speaking he is not a manufacturer and the business name is not used in relation to any particular make of goods.

Section 55 of Cap 116 (*supra*) reads as follows :

“55. No firm or business name shall be registered by a name which, in the opinion of the Registrar, is undesirable.”

Dismissing the recourse, the learned Judge of the Supreme Court

Held, (1)(a) With regard to descriptive names (as the ones under consideration in this case) in Halsbury's Laws of England, 3rd Edn. Vol. 38, page 624, paragraph 1025 it is stated :-

"Where the name under which the plaintiff trader is a descriptive one, the Court is always reluctant to interfere, even where the defendant has taken a name closely resembling that of plaintiff."

And in relation to trade names applied to goods which are of a descriptive character it is stated at paragraph 1026 :

"The burden is on the plaintiff to show that it has acquired a secondary meaning when applied as designation of goods in a particular trade, so as to mean the plaintiff's goods and not merely goods of the class denoted by its primary signification."

(b) But in order to accept that a word has acquired a secondary meaning, it must have wholly displaced the primary meaning in the trade. In the present case, however, what is claimed is that the words have long been used and that their use in the business name of the interested party is likely to create confusion. It has not been established that the use of the words "Fashions House" in the applicant's said business name has wholly displaced the primary meaning of those words in the trade and has deprived them of their descriptive nature. (Cf. *Office Cleaning Services Ltd. v. Westminster Window and General Cleaners Ltd.*, reported in Vol. 63 of the Reports of Patent, Design and Trade Mark Cases, p. 39, at p. 42, per Lord Simonds).

(2) The question to be determined is whether the addition of the word "Louis" and the use of the descriptive words "Fashion House" in the singular is sufficient to distinguish the applicant's title from that of the interested party. No doubt, the distinctive word in the business name of the interested

1973
April 16

FASHIONS
HOUSE

v.
REPUBLIC
(OFFICIAL
RECEIVER AND
REGISTRAR OF
COMPANIES)

1973
April 16

FASHIONS
HOUSE

v.

REPUBLIC
(OFFICIAL
RECEIVER AND
REGISTRAR OF
COMPANIES)

party is "Louis" and that is a differentiation which should avert any confusion that might otherwise arise from the common use of ordinary descriptive words. (Cf. *Aerators Ltd. v. Tollitt* [1902] 2 Ch. D. 319, at p. 323).

- (3) In my view the respondent Registrar has properly exercised his discretion and it was reasonably open to him to decide as he did. In such a case this Court will not substitute its own discretion for that of the Registrar, the appropriate authority under Cap. 116 (*supra*). (See *Merck v. The Republic and Another* (1972) 3 C.L.R. 548, at p. 564 and the authorities stated therein).

Recourse dismissed.

Per curiam: It should be stressed, however, that there is nothing in this judgment which precludes any person aggrieved by the second registration from pursuing his claim in the appropriate Civil Court normally founded on the tort of passing off, and seek redress, including an injunction restraining the use of such name and claiming as against the defendant the removal of such a business name from the Register; in which proceedings one will have the opportunity of establishing by evidence anything that by law is cast upon him in order to secure the injunction sought.

Cases referred to:

Office Cleaning Services Ltd. v. Westminster Window and General Cleaners Ltd., reported in Vol. 63 of the Reports of Patent, Design and Trade Mark Cases p. 39, at p. 42, per Lord Simonds;

Aerators Limited v. Tollitt [1902] 2 Ch. D. 319, at p. 323, per Farwell, J.;

Merck v. The Republic and Another (1972) 3 C.L.R. 548, at p. 564.

Recourse.

Recourse against the decision of the respondent to register the business name "Louis Fashion House" under Reg. No. 1363A.

M. Vassiliou, for the applicant.

N. Charalambous, Counsel of the Republic,
for the respondent.

P. Demetriou, for the interested party.

Cur. adv. vult.

1973
April 16

FASHIONS
HOUSE

v.

REPUBLIC
(OFFICIAL
RECEIVER AND
REGISTRAR OF
COMPANIES)

The following judgment was delivered by :-

A. LOIZOU, J. : The applicant by the present recourse, as amended, prays for a declaration that the act and/or decision of the respondent to register the business name "Louis Fashion House" under Reg. No. 1363A, be declared as null and void and of no effect whatsoever.

The grounds of law relied upon by the applicant, are that —

- A. They have the name "Fashions House" registered as their business name since 1954 in accordance with the Partnership and Business Names Law, Cap. 116, and
- B. The respondent unlawfully and/or in excess of power registered on the application of one Louis I. Xenides, of Nicosia (hereinafter called "the interested party") his business in the Register of the Registrar with the name "Louis Fashion House", and in particular that the said registration is misleading and affects or can affect the interests of the applicants who are engaged in trading of similar nature.

The facts of the case are briefly as follows :-

The applicants are a general partnership registered since the 4th January, 1954 under the business name "Fashions House" under Registration No. 1489, its present proprietors being Andreas K. Agrotis and Yiannoulla A. Agrotis and the address where the business is carried on is Dimokratia Avenue, No. 40A, Famagusta. The relevant Certificates of Registration have been produced as *exhibits* 1 - 5, the last one for the registration of changes in the particulars registered in respect of the said general partnership issued on the 23rd November, 1968, and thereby the partnership was renewed for a period of ten years.

1973
April 16

FASHIONS
HOUSE

v.

REPUBLIC
(OFFICIAL
RECEIVER AND
REGISTRAR OF
COMPANIES)

The interested party was carrying on business in Nicosia and since 1967 under the registered business name "Louis Novelty Shop". The applicants and the interested party had business co-operation until the beginning of 1971 when their co-operation stopped. He then started trading under the business name "Louis Fashion House" and Action No. 1828/71 for passing off was filed with the District Court of Nicosia. The original business name of the interested party No. 1363A was, on the 18th January, 1972, on his application, changed to "Louis Fashion House". The address where this business is carried on is Kykko Avenue Nos. 78/80, Nicosia.

The Registrar of Partnerships accepted the alteration of the said business name, as, in his opinion, it was not so similar to business name under Registration No. 1489 as to be undesirable to be so registered under the provisions of section 55 of the Partnership and Business Names Law, Cap. 116, because the business name of the applicant consists of words describing the nature of his business and no monopoly or exclusivity could be acquired for such words as these would tend to embarrass and prevent other traders from describing likewise their business.

It was further contended by the respondent that the business name "Louis Fashion House" is distinctive in itself and quite dissimilar from the name of the applicant, the word "Louis" being the Christian name of the proprietor of business name under Reg. No. 1363A.

Section 55 of Law Cap. 116, reads as follows :-

"No firm or business name shall be registered by a name which, in the opinion of the Registrar, is undesirable."

It is apparent that the Registrar in determining whether a name is undesirable or not, has to exercise his discretion and the criteria adopted by him are the same as those followed in England in refusing registration of business names as being "undesirable" under section 14 of the Registration of Business Names Act, 1916, a power which is co-extensive with that of the Board of Trade in England to refuse registration of undesirable names of Companies under section 17 of the Companies Act, 1948. (See Palmer's Company Law, 21st Edition, pages 59 and 815).

The Registrar of Partnerships has in addition issued a practice note, copy of which has been produced as *exhibit 6*, following, in so far as practicable, a practice note issued by the Board of Trade for the guidance of the public and which is expressly stated to be in no way exhaustive; it provides, *inter alia*, that names similar to those already registered will not be accepted.

Before going into the legal aspect of the case, it is useful to point out also that the applicant is a trader and importer of goods, in particular ladies dresses and similar fashion goods for ladies, and it is in relation to this business that the registered trade name is being used by him. Generally speaking, he is not a manufacturer and the business name is not used in relation to any particular make of goods, not even those goods that he himself at times manufactures in Cyprus.

It has been the contention of learned counsel for the applicant that the presence of two similar words, namely, "Fashions House" in the business name of applicants and "Fashion House" in the business name of the interested party, is likely to deceive and cause confusion, being almost identical and in view of the past co-operation of the parties.

On the other hand, the argument advanced by counsel for respondent, is that the said words are descriptive ones and do not give right of exclusivity, unless it could be shown that a secondary meaning had been acquired.

Whether the discretion of the respondent in allowing the registration of the business name "Louis Fashion House", has been properly exercised or not, is considerably dependant on the examination of the legal principles prevailing in England on relevant matters. With regard to descriptive names in Halsbury's Laws of England, 3rd Edition, Vol. 38, page 624, paragraph 1025, it is stated :-

"Where the name under which the plaintiff trades is a descriptive one, the Court is always reluctant to interfere, even where the defendant has taken a name very closely resembling that of plaintiff."

And at foot-note (h) of page 625, it is stated :-

"The tendency of the Court is to regard names of a laudatory nature as descriptive."

1973
April 16

FASHIONS
HOUSE

v.

REPUBLIC
(OFFICIAL
RECEIVER AND
REGISTRAR OF
COMPANIES)

1973
April 16

FASHIONS
HOUSE

v.

REPUBLIC
(OFFICIAL
RECEIVER AND
REGISTRAR OF
COMPANIES)

And in relation to trade names applied to goods which are of a descriptive character it is stated at paragraph 1026 :-

“The burden is on the plaintiff to show that it has acquired a secondary meaning when applied as a designation of goods in a particular trade, so as to mean the plaintiff's goods and not merely goods of the class denoted by its primary signification.”

But in order to accept that a word has acquired a secondary meaning, it must have wholly displaced the primary meaning in the trade. In the present case what is claimed is that it has been long used and in the light of the existing co-operation between the parties, it is likely to create confusion. It has not been established that the use of the words “Fashions House” has wholly displaced the primary meaning of those words in the trade and has deprived them of their general descriptive nature.

In the case of *Office Cleaning Services Ltd. v. Westminster Window and General Cleaners Ltd.* reported in Vol. 63 of the Reports of Patent, Design and Trade Mark Cases, page 39, at p. 42, Lord Simonds says :-

“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?”

And further down in dealing with whether the words have acquired a secondary meaning, a fact which in the present case as in the *Office Cleaning* case (*supra*) it was not claimed by the applicants, and it would be impossible to maintain, he said :-

“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.”

The aforesaid are the broad considerations which should govern this case and the question to be determined is whether the addition of the word “Louis” and the use of the descriptive word “fashion house” in the singular is sufficient to distinguish the applicants’ title from that of the interested party. No doubt, the distinctive word in the business name of the interested party is “Louis” and that is a differentiation which should avert any confusion that might otherwise arise from the common use of ordinary descriptive words.

The last case to which I would like to refer, is that of *Aerators, Limited v. Tollitt* [1902] 2 Ch. D. 319 a case of registration of another company under the Companies Act of 1862, where it was held that a Company could not merely by registering as its title or part of its title a single word, whatever its nature, remove that word from the English language, so far as regards its use in the title of subsequent companies. Farwell, J. at p. 323, said :-

“... but it appears to be impossible to say, as a general proposition, that a company can, by registering a single word, whatever its nature, remove that word from the English language so far as regards its use in the title of subsequent companies. In the present case the plaintiffs have taken a word which, and which only, aptly and rightly describes a machine for producing a particular result... It would obviously lead to

1973
April 16
—
FASHIONS
HOUSE
v.
REPUBLIC
(OFFICIAL
RECEIVER AND
REGISTRAR OF
COMPANIES)

1973
April 16

FASHIONS
HOUSE

✓

REPUBLIC
(OFFICIAL
RECEIVER AND
REGISTRAR OF
COMPANIES)

the greatest inconvenience if any company could prevent all other companies from using as part of their title the one word in the English language which aptly describes the articles they manufacture or deal in, or the name of the individual associated for years with a particular firm. For example, suppose a company had registered the name of 'Motors Limited', and another the name of 'Automobiles, Limited', it appears to be impossible to say that they thereby prevent all other companies from using as part of their title these two words, which, so far as I know, are the only words which represent the fashionable locomotives of the day, although their sole trade was the manufacture and sale of motors and automobiles".

In approaching this case one should not lose sight of the fact that the Respondent exercised his discretion in the light of the material before him at the time of taking the decision and it was reasonably open to him to decide, as he did, having in mind those criteria. In such a case, this Court will not substitute its discretion for that of the Registrar, the appropriate authority under section 55 of Law, Cap. 116. (See *Merck v. The Republic & Another* (1972) 3 C.L.R. 548 at p. 564 and the authorities stated therein). It should be stressed, however, that such registration does not preclude a person prejudiced by the adoption by others of the name from pursuing his claim in the appropriate Court normally founded on the tort of passing off, and seek redress, including an injunction restraining the use of such a name and claiming as against that person or persons or company, the removal of such a name from the Register, in which proceedings one will have the opportunity of establishing by evidence anything that by law is cast upon him in order to secure the injunction sought.

For all the above reasons, this application is dismissed with £15 costs in favour of the interested party only.

Application dismissed.

Order for costs as above.