

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 20.02.2018

Orders Reserved on 02.02.2018

Orders Delivered on 20.02.2018

C O R A M

THE HON'BLE Mr.JUSTICE K. RAVICHANDRABAABU

W.P.No.30203 of 2016

and

WMP No.26198 of 2016

V.Venkata Siva Kumar

...Petitioner

vs

1. Institute of Cost Accountants of India,
Rep. by the President,
Shri.M.K.Thakur,
12, Suddar Street, Kolkatta-700 016.
2. Union of India,
Ministry of Corporate Affairs,
Rep. by Joint Secretary,
Shri Manoj Kumar,
5th Floor, A-Wing, Sastri Bhavan,
Dr.Rajendra Prasad Road,
New Delhi 110 001.
3. Institute of Chartered Accountants of India,
Rep. by the Secretary,
ICAI Bhawan, Indraprastha Marg,
Post Box-7100, New Delhi 110 002.
4. CA Welfare Association,
Rep. by its Secretary,
10/11, Dr.Subbarayannagar Main Road,
Near Samiyar Madam,
Kodambakkam, Chennai 600 024.

...Respondents

Prayer:Writ petition filed under Article 226 of the Constitution of India for issuance of a writ of mandamus to direct the first respondent (Cost Accountants) to strictly comply with Sec 2(2) of Cost and Works Accountants Act 1959 as amended and desist from encroaching into the domains earmarked for the third respondent (Chartered Accountants) and further direct the second respondent to ensure that the acronym ICAI be used instead of

acronym ICAI which belongs to the third respondent (Chartered Accountants) as per the judgment of Hon'ble Supreme Court in Satyam Infoway Ltd., v. Sifynet Solutions Pvt. Ltd.

For petitioner : Mr.V.Venkata Sivakumar
Party-in-Person

For Respondent : Mr.AR.L.Sundaresan for R1
Senior Counsel
for M/s.S.Harinyi
Mr.Venkataswamy Babu for R2
CGSC
Mr.Krishna Srinivasan for R3
(M/s.Ramasubramaniam Associates)
No Appearance for R4

O R D E R

The petitioner seeks for a mandamus directing the first respondent to strictly comply with Sec 2(2) of Cost and Works Accountants Act 1959 as amended and desist from encroaching into the domains earmarked for the third respondent (Chartered Accountants) and further direct the second respondent to ensure that the acronym ICAI be used instead of acronym ICAI which belongs to the third respondent.

2.The case of the petitioner is as follows:

The petitioner is a practising Chartered Accountant and the member of the Institute of Chartered Accountants of India, the third respondent herein, for the past 30 years. The third respondent is a public authority established by the Chartered Accountants Act, 1949. The third respondent is identified with the acronym ICAI.

b) The first respondent is a public authority established under Cost and Works Accountants Act, 1959 and it is known with acronym ICWAI. The curriculum, methodology of practical training, the testing of theoretical concepts, etc., make the Chartered Accountancy course, toughest in the world, whereas the first respondent conducts the course more like distance education similar to B.Com. and M.com. Even though the first respondent was established with prime objective of promoting cost accounting, the past acts clearly establish that the first respondent is more interested in encroaching into the domain earmarked for the third respondent. The first respondent got an amendment to change its name in the year 2012 as Institute of Cost Accountant of India. Thus, to use the name of ICAI, which will create lot of confusion among the stakeholders. The first respondent is fully aware that their members are not equipped at

all because of lack of practical training compared to the members of the third respondent. The first respondent changed their website from ICWAI to ICAI and started representing themselves as ICAI in all its communication with print and electronic media, blatantly misrepresenting to the stake holders by using the acronym ICAI. The repeated malicious acts of the first respondent during the past few years is creating lot of confusion in the minds of the stakeholders viz., the Government, Public Sector Undertakings, Industries, the public at large and the students in particular. Therefore, the present writ petition is filed with the relief as stated supra.

3.The first respondent filed a counter affidavit, wherein it is stated as follows:

a)The first respondent had never consented or in principle agreed to the proposal of the petitioner, before this Court on 13.07.2017 with regard to the change in the nomenclature. Consequently, any observation made by this Court based on the representation made by the learned counsel for the first respondent was without any instruction by the first respondent in writing. The first respondent had not given any intimation or instruction to that effect. The representation of the third respondent was suitably replied by the first respondent.

b)The first respondent was established in 1944 as a registered Company under the Companies Act, 1913. On 28.05.1959, the first respondent was given statutory recognition by a Special Act of Parliament viz., the Cost and Works Accountants Act, 1959. Thus, the first respondent is a statutorily recognised professional body for the regulation of the profession of cost and management accountancy.

c) The members of the first respondent had requested for a change of name of the Institute from Institute of Cost and Works Accountants of India to Institute of Cost and Management Accountant of India. From 1971, the first respondent had sent several representations to the second respondent for change of name. The Parliamentary Standing Committee recommended the change of the nomenclature of the first respondent as Institute of Cost and Management Accountants of India. However, the Cost and Works Accountants Amendment Act, 2011 was passed by changing the name of the first respondent Institute as Institute of Cost Accountants of India.

d) Subsequent to the Amendment Act 2011, the first respondent has been using the name "Institute of Cost Accountants of India" and consequently, using the acronym 'ICAI'. The said usage is harmonious with the Act of Parliament and use of the said acronym is bonafide and honest. Thus, the

use of acronym ICAI is authorized and approved by an Act of Parliament and the petitioner does not have any locus standi to restrain the first respondent from using the said acronym. The first respondent is using the acronym ICAI in consonance with its nomenclature and never tried to misrepresent the stakeholders for professional opportunities, which are earmarked for the members of the third respondent. However, if need be, the acronym of the first respondent shall be suitably changed and adopt 'ICMAI' as its acronym instead of 'ICAI' or 'ICAOI', as suggested by the petitioner and the third respondent. Neither the petitioner nor the third respondent has any locus standi to dictate or object to the first respondent's use of its acronym. The petitioner cannot invoke the principles of passing off (a private remedy) in a writ petition under Article 226 of the Constitution of India.

4. The second respondent filed a counter affidavit wherein it is stated as follows:

The usage of acronym falls under the Trade Marks Act, 1999 coming under the jurisdiction of Ministry of Commerce & Industry which is evident from the Certificate of Registration of Trade Mark registering ICAI in the name of the Institute of Chartered Accountants of India under Section 23(2), Rule 62(1) issued by the Government of India, Trade Marks Registry, Mumbai. Thus, the matter relating to the usage of acronym does not fall in the domain of Ministry of Corporate Affairs and therefore, the second respondent is not a necessary party to the present proceedings.

5. The third respondent filed a counter affidavit, wherein it is stated as follows:

The third respondent is a statutory body established under the Act of Parliament and governed by the Chartered Accountants Act, 1949 for regulation of the profession of Chartered Accountants in India. The third respondent Institute is the only body in India to regulate the profession of Chartered Accountants to conduct examinations and impart training to the candidates registered for the Chartered Accountancy Course. The third respondent is popularly known as ICAI across the globe. The acronym "ICAI" has become the symbol and the brand name of the Institute, obtained by its continuous dedication and excellence towards the profession of accountancy. The acronym "ICAI" is well known trade mark to be exclusively associated with the identity of the third respondent Institute alone. Thus, the acronym "ICAI" has acquired a distinctive legal character of its own as the brand name of the Institute. The trade mark for the acronym "ICAI" was registered under the Trade Marks Act, 1999 vide Certificate of Registration of Trade Mark

dated 11.09.2016. The said acronym is being used by the third respondent Institute since its inception, 01.07.1949. The trade mark "ICAI" is well known to the public and enjoys immense reputation and goodwill nationally as well as internationally. In view of the above facts, the acronym "ICAI" is indispensable for the third respondent Institute and the same cannot be allowed to be shared by anyone else including the first respondent. Section 29 of the Trade Marks Act, 1999 provides for the infringement of registered trademarks and hence the use of abbreviation "ICAI" by the first respondent is in violation of Section 29 of the Trade Marks Act, 1999. The first respondent in the recent past without any legal sanction started representing itself with the acronym "ICAI" on its website. The first respondent's usage of abbreviation "ICAI" would cause confusion in the minds of the members and the students. The usage of the abbreviation "ICAI" by the first respondent is a clear cut violation of Section 15A(3) of the Chartered Accountants Act, 1949.

6. The petitioner filed a rejoinder affidavit stating that the Ministry of Commerce and Industry has nothing to do with the present dispute and availability of alternate remedy is not a bar for exercising jurisdiction under Article 226 of the Constitution of India.

7. The petitioner, as a Party in Person, has also filed a written submissions reiterating the contentions already raised by him in his pleadings. He further submitted that this Court, while exercising the jurisdiction under Article 226 of the Constitution of India can decide the issue in this proceedings itself. He also submitted that on an earlier occasion, the learned counsel appearing for the first respondent admitted before this Court that the first respondent will consider the change of acronym as "ICMAI" instead of using it as "ICAI". Therefore, he contended that now the first respondent cannot turn around and say otherwise. He further submitted that the second respondent is the competent Ministry and consequently, proper and necessary party to the present proceedings.

8. Mr. Krishna Srinivasan, learned counsel appearing for the third respondent made his submissions supporting the case of the petitioner. He also reiterated the contentions raised in the counter affidavit of the third respondent once again before this Court. He invited this Court's attention to a letter addressed by the first respondent to the third respondent on 20.08.2015, stating that the first respondent Institute has already proposed to the Central Government for change of name to the Institute of Cost and Management Accountants of India, abbreviation of "ICMAI" which is in accordance with the mission and vision of their Institute. Thus, he submitted that the first respondent

is not entitled to use the acronym "ICAI". He also submitted that the concerned Ministry of Government of India itself calls the first respondent only as "ICOAI" as could be seen from the communication issued by the Ministry of Corporate dated 01.09.2016 and 02.02.2017. He further submitted that the undertaking given before this Court on behalf of the first respondent on 13.07.2017 has not been followed.

9. On the other hand, the learned Senior Counsel Mr. AR. L. Sundaresan appearing for the first respondent submitted as follows:

The writ petition itself is not maintainable by the individual writ petitioner. The third respondent has not filed any case against the first respondent so far challenging the usage of acronym "ICAI" by the first respondent. The first respondent using the acronym "ICAI" only in short of their full form. The reference made by Ministry as "ICOAI" cannot stand in way of the first respondent in using "ICAI". If at all the petitioner or the third respondent is aggrieved, it is for them to work out their remedy elsewhere under the Trade Marks Act and not by filing the present writ petition. The proposal given before this Court earlier by the counsel for the first respondent was without consent or written instruction from the first respondent.

10. The learned Central Government Standing Counsel appearing for the second respondent submitted as follows:

The averments made in the writ petition relates to infringement of Trade Marks and Passing Off and therefore, the writ petition is not maintainable. Merely the Government refers the first respondent for convenient sake as "ICOAI", it does not mean that as if the Government is conferring such title on the first respondent. The second respondent has also categorically stated that the dispute between the parties falls squarely under the Trademarks Act.

11. Heard both sides.

12. The point for consideration in this writ petition, based on the above stated facts and circumstances as narrated and disclosed by the respective parties, is as to whether this Court by exercising the jurisdiction under Article 226 of the Constitution of India need to go into the dispute with regard to the usage of acronym "ICAI" by both the first and third respondents, especially, when it is an admitted fact that the third respondent themselves have admitted in their counter affidavit that the Trade Mark for the acronym "ICAI" was registered under the Trade Marks Act, 1999 and the Certificate

of Registration of Trade Mark dated 11.09.2016, was issued to them to that effect.

13.I can straight away answer the above question in negative and hold that the third respondent, who sails with the petitioner, has to seek their remedy before appropriate forum by filing appropriate proceedings arising out of infringement of Registered Trademarks or passing off action, if any, as the writ jurisdiction is not the appropriate one, more particularly when I find that the petitioner is not an aggrieved person even.

14. It is to be noted at this juncture that the dispute is only between the first and third respondents in using the acronym "ICAI". The petitioner, no doubt is the member of the third respondent Institute. But at the same time, the use of the acronym "ICAI" by the first respondent, can, at the best, give a cause of action to the third respondent to seek redressal of their grievance against such usage by initiating appropriate proceedings against the first respondent under the Trademarks Act, as admittedly the said Trademark "ICAI" is said to have been registered by the third respondent under the Certificate of Registration of Trade Mark dated 11.09.2016. In the counter affidavit filed by the third respondent, it is admitted in more than one place that the act of the first respondent in using the very same acronym "ICAI" is an infringement of the registered Trademark and thus, it violates the provision under the Trademarks Act, 1999. It is also claimed by both the petitioner and the third respondent that the usage of acronym "ICAI" by the first respondent causes confusion in the minds of the stakeholders as well as the public at large more particularly, the student community. When such being their claim, I wonder what prevents the third respondent from establishing their right in respect of such Trademark "ICAI" before the Court of Law by initiating appropriate proceedings. Fact remains, till this day no such proceedings is said to have been initiated, except the present one, that too, by the petitioner, who is not an aggrieved person.

15.On the other hand, the first respondent equally claims that it is entitled to use the very same acronym "ICAI" till its name is changed as the Institute of Cost and Management of Accountants of India by the Central Government, for which, their proposal sent already is pending before the Central Government. The said stand is made clear even in the letter dated 20.08.2015, addressed by the first respondent to the third respondent, which is extracted hereunder:

"Ref.No.:G/128/08/2015

August 20, 2015

Shri V.Sagar,
Acting Secretary,
The Institute of Chartered Accountants of India,
"ICAI Bhawan",
Indraprastha Marg,
New Delhi-110 002.

Sub:Using of abbreviation ICAI or ICAI (Cost) instead of ICAI

Dear Sir,

Please refer to your letter No 1-CA(2)/Misc/2015 dated 16th July, 2015 with a copy to Shri Manoj Kumar, Joint Secretary, Ministry of Corporate Affairs on the above subject.

The Institute is using the abbreviation "ICAI" for its nomenclature "Institute of Cost Accountants of India" as per amendment made in The Cost and Works Accountants (Amendment) Act, 2011 and there is no option other than to use 'ICAI'.

However, as per The Cost and Works Accountants (Amendment) Act, 2011, a member is entitled to use the letters 'ACMA' or 'FCMA' after his name to indicate that he is an Associate/Fellow of The Institute of Cost Accountants of India. Our Institute has already proposed to the Central Government for change of name to The Institute of Cost and Management Accountants of India, abbreviation of which is 'ICMAI' and is in accordance with the mission and vision of our Institute. Till such approval is received, there is no other option but to continue with use of the abbreviation 'ICAI'.

Thanking you,

Yours faithfully,

(Kaushika Banerjee)
Secretary (Acting)"

सत्यमेव जयते

16.From the above narrated facts and circumstances, two things are emerging, which are as follows:

a) The first respondent has already approached the Central Government and made a proposal for change of their name as The Institute of Cost and Management of Accountants of India, abbreviation of which is "ICMAI". It appears that the said proposal is still pending.

b) It is also made clear by the first respondent in a communication dated 20.08.2015 that till such approval is received, the first respondent will continue to use the abbreviation "ICAI".

17. It is to be noted at this juncture that even after such stand of the first respondent was informed to the third respondent as early as on 20.08.2015, it seems, that the third respondent has not taken any legal proceedings so far before any court of law against the first respondent.

18. Hence, from the above stand taken by the first respondent, there can be no difficulty in holding that till the name of the first respondent is changed as proposed by them, as stated supra, if they continue to use the acronym "ICAI" and if the third respondent is aggrieved against such usage in view of the registration of such trademark by the third respondent in their favour as discussed supra, certainly, it is for the third respondent to initiate appropriate legal action before the appropriate forum by filing appropriate application under the Trademarks Act. Certainly the third respondent's support to the petitioner in this proceedings cannot be equated with such appropriate proceedings under the Trademarks Act. Under such circumstances, certainly the present writ petition cannot be maintained that too, at the instance of the petitioner, who is only a member of the third respondent more particularly, when the third respondent has not chosen to challenge such alleged infringement before the competent Court of law so far.

19. Needless to state that the Trademark right is a proprietary right and therefore only such owner of the Trademark, if aggrieved against any infringement of such trademark, has locus standi and consequently a cause of action to initiate appropriate proceedings before the appropriate forum against such infringement and to seek the appropriate relief thereunder. Such proprietary right of trademark is a right in personam and not a right in rem. Therefore, the petitioner, though a member of the third respondent, cannot be called as an aggrieved person, even to initiate the proceedings before such appropriate forum against the alleged infringement.

20. It is vehemently contended by the petitioner and the third respondent that availability of alternative remedy is not a bar for entertaining this writ petition and exercising the jurisdiction of this Court under Article 226 of the Constitution of India. True, it is not that this Court is powerless or that availability of an alternative remedy will always be a bar for exercising the jurisdiction under Article 226 of the Constitution of India. At the same time, it is to be noted that the jurisdiction under Article 226 of the Constitution of India

is a discretionary jurisdiction and hence it is not necessary for this Court to exercise such discretionary jurisdiction in all cases, notwithstanding the factum of availability of alternative remedy, even though a case is made out by the petitioner. In this case, the alternative remedy is a statutory remedy available under the separate enactment and when such remedy is not only efficacious and also the just and proper course of action, considering the dispute between the parties in this case, this Court is of the firm view that the parties have to agitate the matter by availing the other alternative remedy and certainly not by pursuing this writ petition.

21. The petitioner in support of his claim relied on the decision of the Hon'ble Supreme Court reported in 2004(6) SCC 145, Satyam Infoway Ltd., vs Siffynet Solutions (P) Ltd. Perusal of the said decision would show that the same has arisen out of a suit filed before the concerned City Civil Court in a passing off action. Therefore, I find that the petitioner is not justified in relying on the said decision to support the maintainability of the present writ petition with the present prayer, as the same, undoubtedly indicate that it would only fall within the purview and domain of the proceedings to be initiated and adjudicated upon before the competent Forum under the Trademarks Act.

22. It is true that the learned counsel appearing for the first respondent made a submission before the learned Judge, who previously heard this matter on 13.07.2017, that the first respondent in principle is agreeing with the request made by the petitioner and would also consider the representation made by the third respondent with regard to the change in the nomenclature. However, when the counter affidavit is filed before this Court by the first respondent, it is categorically stated therein that the said submission made by their counsel was without any instruction from the first respondent in writing and that the first respondent had never consented or in principle agreed to the proposal of the petitioner. In any event, as this Court has come to the conclusion that this is not the matter to be considered in a writ petition and that the parties have to resort to the remedies available only before the appropriate forum under the Trademarks Act, the above concession shown by the learned counsel for the first respondent before this Court on the previous occasion, that too, without the consent of the first respondent, cannot be taken advantage of by the petitioner or the third respondent to sustain the present writ petition. Therefore, I reject the contention of the petitioner as well as the third respondent on this aspect as well.

23.Considering all the above stated facts and circumstances, I find that the present writ petition is not maintainable. Consequently, the writ petition fails and the same is dismissed only on the ground of maintainability. However liberty is granted to the respective parties to work out their remedy before the appropriate forum by filing appropriate application under the Trademarks Act. No costs. The connected miscellaneous petition is closed.

Sd/-
Assistant Registrar(CS VI)

//True Copy//

Sub Assistant Registrar

vri

To

1. The President,
Institute of Cost Accountants of India,
Shri.M.K.Thakur,
12, Suddar Street, Kolkatta-700 016.
2. The Joint Secretary,
Union of India,
Ministry of Corporate Affairs,
Shri Manoj Kumar,
5th Floor, A-Wing, Sastri Bhavan,
Dr.Rajendra Prasad Road,
New Delhi 110 001.
3. The Secretary,
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4. The Secretary,
CA Welfare Association,
10/11, Dr.Subbarayannagar Main Road,
Near Samiyar Madam,
Kodambakkam, Chennai 600 024.

+1cc to M/s.S.Harinyi, Advocate, S.R.No.13198
+1cc to M/s.Ramasubramaniam Associates, Advocate, S.R.No.12927
+1cc to Mr.Venkataswamy Babu, Advocate in sr.no.12862

W.P.No.30203 of 2016

SS(CO)
CS/01/03/18