

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

% **Date of decision: 6th November, 2019**

+ **CS(COMM) 152/2018 & CC No.77/2009**

VIVEK KOCHHER & ANR Plaintiffs
Through: Mr. Umesh Mishra with Mr. Satish
Kumar & Mr. Vishal Patel, Advs.

Versus

KYK CORPORATION LTD & ORS Defendants
Through: Mr. Aayushmaan Gauba &
Ms. Gunjan Chhabra, Advs. for D-1.

CORAM:

HON'BLE MR. JUSTICE RAJIV SAHAI ENDLAW

1. The two plaintiffs, namely Vivek Kochher and Vineet Kochher, instituted this suit on 30th April, 2009 to restrain the three defendants, namely (i) KYK Corporation Ltd., Japan; (ii) Metro Bearing Company, Delhi; and, (iii) Capital Machinery Company, Delhi, from infringing the mark 'KYK' of the plaintiffs by adopting trade name 'KYK Corporation Ltd.' and by adopting the same mark 'KYK'.
2. The suit, originally registered as CS(OS) 1305/2009, on coming into force of the Commercial Courts Act, 2015, was re-numbered as CS(COMM) 152/2018.
3. The defendants no. 2 and 3, namely Metro Bearing Company, Delhi and Capital Machinery Company, Delhi did not contest the suit and only the defendant no. 1 'KYK Corporation Ltd.' contested the suit, also by filing the counter claim which was entertained and registered as CC No.77/2009.

Though the said counter claim should also have been re-numbered as the suit, but remained to be so re-numbered. The defendant no.1, in the said counter claim, sought to restrain the plaintiffs from using the trade mark/trade name KYK, or any other mark identical and/or deceptively similar thereto.

4. On the date of the institution of the suit, the two plaintiffs trading as M/s KYK Bearing International, held registrations No.949032 and 1291522 dated 21st August, 2000 and 21st June, 2004 respectively of the word mark 'KYK' in Class 12 and Class 7 respectively, for parts and fittings included in Class 12, for use in automobiles, and for bearings, filters, gear and gear parts, v-belts, fan belts and machinery parts, for use in motor land vehicles respectively.

5. It was *inter alia* the claim of the plaintiffs in the suit, (i) that the defendant no.1 had adopted an identical/deceptively similar trade mark KYK and trade name KYK Corporation Ltd. in relation to parts of land vehicles, including bearing (axle) for vehicle wheels and bearings for wheels; (ii) that the defendants no. 2 and 3 were dealers/distributors of defendant no.1 and were selling goods manufactured by defendant no.1 under the impugned mark; and, (iii) that the plaintiffs were the originators, owners and senior users of the subject mark.

6. The suit came up first before this Court on 22nd July, 2009, when while issuing summons/notice thereof, vide *ex parte ad interim* order, the defendants were restrained from using the mark KYK and trade name KYK Corporation Ltd. or any other trade mark identical or deceptively similar thereto.

7. The defendant no.1, in its written statement and counter claim, *inter alia* pleaded (i) that the defendant no.1 was the prior user and proprietor of trade mark KYK internationally, in more than 50 countries, since the year 1952; (ii) the mark also formed a prominent part of the corporate name of the defendant no.1 and had acquired a global fame and reputation of being the most trusted name in the bearings industry; (iii) that the defendant no.1 was exporting and marketing its goods under the said mark to the United States, since as early as 1953; (iv) the defendant no.1 has also expanded its market operations to other parts of the world including India; (v) the defendant no.1 had applied for registration of the said mark, first in Japan in the year 1966 and the registration was granted in the year 1969; (vi) the mark KYK was known to the customers and trade in India; (vii) that the defendant no.1 applied for registration of the trade mark KYK in India in Classes 7 and 12 and the said applications were advertised in the Trade Marks Journal of 1st August, 2008 and no opposition thereto had been filed till the date of filing of the written statement on 14th September, 2009; (viii) the plaintiffs were fully aware of the international goodwill and trade reputation of the defendant no.1 and its products and had obtained registration by playing a fraud upon the Registrar of Trade Marks; (ix) the adoption by the defendant no.1 of the mark in the year 1952 is much prior to the adoption of the mark claimed by the plaintiffs in the year 1996; (x) the writing style adopted by the plaintiffs was also deceptively similar to the writing style and artistic font of defendant no.1's mark; and, in the counter claim, relief *inter alia* of permanent injunction restraining the plaintiffs from use of the mark KYK was sought.

8. On the basis of the pleadings in the suit and the counter claim, the following issues were framed on 25th March, 2011:

“(1) Who amongst the parties is the true owner and lawful proprietor of the trademark KYK for goods stated in the respective complaints? OPP

(2) Whether the adoption of trademark KYK and it's artistic representation by the plaintiffs is honest, as alleged? OPP

(3) Who amongst the parties is the prior user of the trademark/trade name KYK for goods, as stated in the respective complaints? OPP

(4) Whether the plaintiffs have infringed the copyright of the defendant no.1/counter claimant in the said artistic representation of KYK? OPD

(5) Whether the defendants/counter claimant are liable for infringement of trademark KYK, as stated in the plaint? OPP

(6) Who amongst the parties is liable for passing off its goods as the goods of the other by using trademark/trade name KYK? OPP

(7) Whether the suit of the plaintiff is liable to be dismissed on account of delay, laches and acquiescence? OPD

(8) Whether plaintiff is entitled for permanent and mandatory injunction against the defendant as prayed for in the prayer clause? OPP

(9) Whether the plaintiff is entitled to the relief of damages, rendition of accounts of profits and delivery up against the defendant as prayed for? OPP

(10) Relief.”

9. The parties were relegated to trial, which stands concluded and the suit is ripe for final hearing.

10. The counsel for the plaintiffs and the counsel for the defendant no.1 have been heard.

11. The *ex parte* order restraining the defendant no.1 from using the mark KYK including as part of trade name along with applications of the defendants for vacation thereof was varied vide judgment dated 1st July, 2010 and it was directed that the plaintiffs shall manufacture and trade in the goods referred to in Classes 7 and 12 under the trade mark KYK (India) and the defendant no.1 shall manufacture and trade in goods referred to in Classes 7 and 12 under the trade mark KYK (Japan). It was also directed that the plaintiffs shall include 'India' as part of their trade name and the defendant no.1 shall include 'Japan' in its trade name.

12. The counsel for the plaintiffs informs that the plaintiffs had preferred FAO(OS) 566/2010 against the judgment aforesaid but which was withdrawn on 7th March, 2013.

13. The counsels have also informed of certain subsequent developments in the matter.

14. It is informed that on the application of the defendant no.1 for revocation of the registrations in favour of the plaintiffs, the Intellectual Property Appellate Board (IPAB) has vide order dated 10th February, 2012 cancelled the two registrations in favour of the plaintiffs.

15. It is also informed that the plaintiffs preferred WP(C) 2496/2012 to this Court against the aforesaid order of the IPAB but which writ petition

has been dismissed vide judgment dated 3rd November, 2017 and no further proceedings have been taken by the plaintiffs thereagainst and thus the order of the IPAB cancelling the two registrations of the mark in favour of the plaintiffs has attained finality. It is yet further informed that oppositions have been filed by the plaintiffs to the two applications of the defendant no.1 for registration of the mark and the said oppositions are still pending consideration before the Registrar of Trade Mark.

16. The counsels are thus *ad idem* that the claim in the suit on the ground of infringement of trade mark does not survive and now the suit and the counter claim have to be adjudicated on the parameters of passing off only.

17. I have straightaway enquired from the counsel for the plaintiffs, how the claim of the plaintiffs against the defendant no.1, even on the ground of passing off survives in the face of the orders of IPAB of cancellation of the registrations in favour of the plaintiffs, which have attained finality. It has also been enquired on what ground was cancellation sought by the defendant no.1.

18. The counsel for the plaintiffs states that the defendant no.1 had sought cancellation *inter alia* on the ground that the use of the mark KYK claimed by the plaintiffs in the applications for registration since the year 1996 was false.

19. I have yet further enquired from the counsel for the plaintiffs, from which date have the plaintiffs been able to establish use of the mark before the IPAB.

20. The counsel for the plaintiffs states that the order of the IPAB holds the use of the plaintiffs of the mark, since 2005 only.

21. On enquiry, since when the defendant no.1 in its applications for registration of the mark sought use of the mark, it is stated that the defendant no.1 claimed use in India of the mark since November, 2005.

22. I have perused the order dated 10th February, 2012 of the IPAB and find-

(A) the defendant no.1's pleading therein were (i) that the plaintiff herein had applied for registration of the subject mark by playing fraud upon the Registrar of Trade Marks; the adoption of the mark by the plaintiffs was dishonest, *malafide*, in bad faith and in contravention of the provisions of the Trade Mark Act, 1999; (ii) that the defendant no.1 was not aware of the advertisement of the mark on the applications of the plaintiffs; (iii) that the plaintiffs had never used the mark in respect of goods for which registration was sought; and, (iv) that the registrations sought and granted to the plaintiffs were bound to cause confusion and deception and the registration had been granted without sufficient cause.

(B) The plaintiffs had controverted all the said pleas and had claimed adoption of the mark after the name of both their fathers Kuldeep Rai Kochher and uncle Yashwant Rao Kochher and of the adoption being *bonafide*.

(C) The IPAB then held (i) that the plaintiffs had not placed any documents on record to show that V.K. Automobiles was also the proprietor of the mark; (ii) that though the application for registration bearing no.949032 was filed on 21st August, 2000 by KYK Bearing International and on 25th August, 2000, KYK Bearing International assigned the in favour of V.K. Automobiles, the application for registration bearing no.1291522 filed on

21st June, 2004 had been filed by KYK International and that there was nothing on record to show that the assignment claimed was partial; (iii) that when the mark was assigned to V.K. Automobiles in the year 2000, then the first bill dated 1999 in the name of V.K. Automobiles could not be taken note of for deciding the case; (iv) that the plaintiffs thus could not be proprietor of the trade mark and the registration was in contravention of Section 18; (v) that though the plaintiffs claimed user since 1996 as regards Class 12 application and user since the year 2000 in Class 7 application, there was no evidence of use of the mark claimed since the years 1996 and 2000 or of prior to 2005; (vi) that it was also the case of the plaintiffs that the manufacturing or bearing was carried out through one Techno Mark Grindwell Industries but the first invoice of the said Techno Mark Grindwell Industries was only of 2005; (vii) that the plaintiffs had thus failed to establish user since the years 1996 and 2000 as claimed in the applications; and, (viii) that the plaintiffs having not given any cogent evidence to prove uses since the dates as claimed in the applications for registration, it was not proper to allow the mark to continue on the Register.

23. A reading of the judgment dated 3rd November, 2017 of this Court in WP(C) 2496/2012 preferred by the plaintiffs against the order of the IPAB shows that the plaintiffs challenged the order principally on the ground that the IPAB's finding that there was no evidence regarding the plaintiffs' use of impugned mark prior to 2005 was *ex facie* erroneous and contending that the defendant no.1 had not established any trans-border reputation.

24. This Court held that (i) the findings of the IPAB, of the plaintiffs having not shown use prior to 2005, were in the context of the pleadings; (ii)

the plaintiffs, in order to show user since the year 1996, were required to show invoices or any document pertaining to use by them trading in the name of KYK Bearings International; (iii) concededly, there was no document on record indicating such use by KYK Bearing International; (iv) the earliest invoice placed on record was a bill dated 30th March, 1999 issued by V.K. Automobiles to Raj Automobiles (v) use by V.K. Automobiles was not the claim on the basis of which the registration in Class 12 was granted; (vi) the plaintiffs had also claimed that bearings sold by them were manufactured by Techno Mark Grindwell Industries; (vii) none of the invoices raised by the said concern was of prior to the year 2005; (viii) there was thus no evidence on record to show any invoice relating to the use of the mark by KYK International which claimed to be the proprietor of the mark registered in Class 7; (ix) the finding of the IPAB, that there was no evidence of user prior to 2005, was thus correct; (x) the plaintiffs had been unable to establish the claim of user on the basis of which registration was granted, (xi) invoices raised by V.K. Automobiles between the years 1999 to 2005 would be of little assistance since that was not the user on the basis of which the application for registration was made; (xii) obtaining registration by false statement and fraud was a ground for cancellation thereof; (xiii) the contention of the plaintiffs that defendant no.1 was unable to establish a trans-border reputation was also not persuasive; (xiv) the defendant no.1 had produced evidence to show that its goods were being sold in India; (xv) the defendant no.1 had also produced material to show that it was exporting goods to United States, to show that it was using the mark in USA since 1953; and, (xvi) even otherwise, once the plaintiffs were unable to establish the use of the mark as claimed in their applications,

warranting a rectification of the registered trade mark, the cancellation effected could not be found fault with.

25. I have enquired from the counsel for the plaintiffs; how any findings contrary to the findings returned in the rectification proceedings, with respect to the mark, of the IPAB, can be sought by the plaintiffs in this suit.

26. The counsel for the plaintiffs has contended that the plaintiffs in this suit have led evidence to show use of the mark by the plaintiffs since the year 1996, as claimed in the applications for registration of the mark and the defendant no.1 has in fact not even cross-examined the witnesses of the plaintiffs in this regard and thus as far as this suit is concerned, the findings of use since 1996, even if contrary to the findings of IPAB, writ petition preferred against which order of IPAB has been dismissed by this Court, can be returned in this suit.

27. On enquiry, whether not before the IPAB also evidence is recorded, the answer is in the negative and it is contended that the proceedings before the IPAB are summary in nature, while before this Court, a trial has taken place.

28. It is also contended that though the defendant no.1 examined two witnesses but the said witnesses have been unable to prove any trans-border reputation.

29. The counsel for the plaintiffs, in this respect has drawn my attention to (i) Ex.PW1/5 being the “NOC Pollution” dated 8th May, 2003 issued by the District Industries Centre, Ghaziabad to KYK International; (ii) Ex.PW1/6 being the letter dated 13th April, 2005 issued of allotment of Tax Identification Number to KYK International; and, (iii) sales invoices raised

by V.K. Automobiles from 30th March, 1999 till 5th December, 2002 with respect to goods bearing the mark KYK.

30. Though the aforesaid sale invoices do not bear any exhibit number but on perusal of the affidavit by way of examination-in-chief of the plaintiff Vineet Kochher appearing as PW2, I find the same to have been referred as Ex.PW1/13 (Colly.) and the said affidavit by way of examination-in-chief along with the documents having been tendered into evidence on 9th September, 2015 and the defendant no.1 having not cross-examined the said witnesses despite opportunity.

31. The counsel for the plaintiffs has also referred to the testimony of the two witnesses examined by the defendant no.1 and has contended that they have been unable to prove even their authority to depose on behalf of defendant no.1.

32. Per contra the counsel for the defendant no.1 (i) has drawn attention to paragraphs 1, 3 and 4 of the plaint to point out inconsistency in the pleadings as well as ground on which the IPAB has refused to believe the invoices Ex.PW1/13(Colly.); (ii) he further contends that there is an inconsistency in the evidence of the plaintiff no.2 also; while it is stated in cross-examination that Techno Mark Grindwell Industries was shut down in the year 2004-05, in the plaint filed in the year 2008, production by the same Techno Mark Grindwell Industries was claimed; (iii) that though in paragraph 11&12 of the plaint, reference is made to sale figures and advertisement but no figures of sales of goods under the impugned mark have come on record till now and no advertisement has been proved; the only purported advertisement is more of a business card; (iv) that the

plaintiffs in paragraph 23 of the plaint had themselves pleaded that the resemblance between the two marks is to the extent of proving imitation; (v) that the plaintiffs were fully aware of the defendant no.1 who is selling the goods under the subject mark since the year 1950; (vi) that the suit is liable to be dismissed only on the ground that the plaintiffs have been unable to prove use as claimed at the time of applying for registration of mark prior to 2005; (vii) that before the IPAB also affidavits by way of examination-in-chief are filed.

33. The counsel for the plaintiffs has contended that the counter claim filed by the defendant no.1 was late and is barred by limitation.

34. However, it is not as if the counter claim was rejected and now, after trial when no issue even is sought and framed on this aspect, the counter claim of the defendant no.1 cannot be non-suited on this argument.

35. I have again enquired from the counsel for the plaintiffs, whether not the plaintiffs, to succeed on the ground of passing off, are required to establish goodwill and once the plaintiffs have been held by IPAB and by this Court in the judgment in the writ petition preferred against the order of the IPAB, to have not established the use prior to 2005, how the plaintiffs can claim goodwill, to be entitled to permanent injunction against the defendant no.1, especially when user by the defendant no.1 from the year 2005 as claimed in the application for registration by the defendant no.1 is not disputed.

36. The counsel for the plaintiffs again contends that the plaintiffs in this suit have proved user since the year 1996 as claimed in the application.

37. I have considered the rival contentions.

38. At the outset, I may state that I am unable to agree with the contention of the counsel for the plaintiffs of the proceedings before the IPAB being summary in nature. I have, in *The Financial Times Vs. The Times Publishing House* (2016) 234 DLT 305 had an occasion to deal with this issue and it was held that though evidence before the IPAB is on affidavit, but on cause being shown, right to cross-examination, though not routinely given, can be claimed. It is not the plea of the plaintiffs herein that any right of cross-examination claimed was denied and no such ground is found to have been taken in the writ petition preferred against the order of the IPAB also.

39. Once IPAB has been constituted as a specialized fora to determine the same aspect as has arisen for adjudication in this suit and it is not the case of the plaintiff that the IPAB was not empowered to determine the said question, in my view, the factual finding of the IPAB, as also upheld by this Court, even though not in a suit, cannot be ignored in the decision of this suit. Significantly, the plaintiffs before the writ Court also did not seek any clarification that the dismissal of the writ petition upholding the factual findings of the IPAB should not come in the way of the determination underway in this suit.

40. Supreme Court in *Patel Field Marshal Agencies Vs. T.M. Diesels Ltd.* (2018) 2 SCC 112, though dealing with the Trade and Merchandise Marks Act, 1958, held that Section 111(2) thereof provides that in case an application for rectification is filed within the time allowed, the trial of the suit shall remain stayed; sub-section (3) of Section 111 provides that in the event no such application for rectification is filed despite the order passed by

the Civil Court, the plea with regard to validity of the trade mark in question shall be deemed to have been abandoned, and the suit shall proceed in respect of any other issue that may have been raised therein; sub-section (4) of Section 111 provides that the final order as may be passed in the rectification proceedings shall bind the parties and the civil suit will dispose of the suit in conformity with such order insofar as the issue with regard to validity of the registration of the trade mark is concerned. It was further held that as per the scheme of the 1999 Act, all questions with regard to validity of a trade mark are required to be decided by the Registrar or the IPAB and not by the Civil Court and the Civil Court is not empowered to decide the said question. It was further held that the Act mandates that the decision rendered by the prescribed statutory authority will bind the Civil Court; the intention of the legislature that all issues relating to and connected with the validity of registration have to be dealt with by the Tribunal and not by the Civil Court, is clear. Prior thereto, this Court in ***Arun Colour Chem Vs. Mithumal Essance Mart*** (2010) 187 DLT 285 and the High Court of Bombay in ***Lupin Ltd. Vs. Johnson & Johnson*** AIR 1950 Bom 50 (FB) also held that the final order in the rectification proceedings would bind the parties and the Civil Court has to dispose of the suit in conformity with such final order. Once the outcome of IPAB, affirmed by this court, on the issue of validity of registration is binding on this court, so would the reasoning on the basis of which the said outcome flowed would be binding. Thus it is not open to the plaintiffs to, in this suit, seek a finding on its claim for use of the trademark of which registration was sought and granted, inconsistent with the finding of the IPAB, affirmed by this court.

41. Though the defendant no.1 did not cross-examine the witnesses of the plaintiffs and one of which witnesses is found to have, in his examination-in-chief, tendered the sales invoices into evidence and which were admitted into evidence without any objection, but the same does not come in the way of this Court, at the time of final hearing, still considering whether the documents have been admitted in evidence according to law. Reference in this regard may be made to *Sudir Engineering Company Vs. Nitco Roadways Ltd.* MANU/DE/0414/1995, *R.V.E. Venkatachala Gounder Vs. Arulmigu Viswesaraswami* (2003) 8 SCC 752, *Dayamathi Bai Vs. K.M. Shaffi* (2004) 7 SCC 107, *Salem Advocate Bar Association Vs. Union of India* (2005) 6 SCC 344, *Hemendra Rasiklal Ghia Vs. Subodh Mody* 2008 SCC OnLine Bom 1017, *Bama Kathari Patil Vs. Rohidas Arjun Madhavi* 2004 SCC OnLine Bom 108, *Prabhu Dayal Vs. Suwa Lal* AIR 1994 Raj 149, *Abid Hussien Abdulkarim Shaikh Vs. State of Gujarat* MANU/GJ/1411/2010 and *G. Sudhakar Reddy Vs. M. Pullaiah* MANU/AP/0127/2015 holding that mere putting of the exhibit mark on a document is not admission of the document into evidence if otherwise not admissible according to law. Further, Order XIII Rule 3 empowers the Court to, at any stage of the suit, reject any document which it considers inadmissible.

42. The invoices at pages 159 to 167 of Part IIIA File to which attention is drawn, are mere photocopies and no original thereof was shown/produced. PW-2, save for a stray reference to the said invoices, even in examination-in-chief or at the time of evidence did not identify the signatures or handwriting on the said invoices. The parties on which the said invoices were raised have also not been summoned. Once IPAB and this Court had

doubted the said invoices, it was incumbent upon the plaintiffs to, notwithstanding the defendant no.1 not cross-examining the witnesses, prove the said invoices strictly in accordance with law and which the plaintiffs have failed to do.

43. Even otherwise, the reasons given by the IPAB for disbelieving the said invoices are on the same pleadings and documents of the plaintiffs as in this Court and no ground for the same not binding this proceeding therewith is cited.

44. Thus, even on merits, I am unable to find the plaintiffs to have in this suit proved use since the year 1996.

45. Once the use of the mark by the plaintiffs is also since 2005, since when the defendants have claimed use of the mark in their applications for registration, in my view, the defendant no.1 being a senior user of the mark, cannot be enjoined in an action for passing off.

46. The finding of the IPAB, upheld by this Court qua trans-border reputation also in my view, would bind the outcome of the present proceedings. Resultantly, the plaintiffs are not found entitled to any of the reliefs claimed in the suit, even on the ground of passing off and the suit is dismissed.

47. Axiomatically, the counter claim of the defendant no.1 against the plaintiffs succeeds insofar as the relief of injunction against the plaintiffs as claimed therein. The defendant no.1, in the facts and circumstances of the case, is not found entitled to any of the ancillary reliefs in the counter claim.

48. A decree is accordingly passed, (i) of dismissal of CS(COMM) 152/2018; (ii) in Counter Claim No.77/2009, in favour of the defendant no.1 and against the plaintiffs, of perpetual injunction in terms of prayer paragraphs (i) to (iii) of the counter claim dated 10th September, 2009.

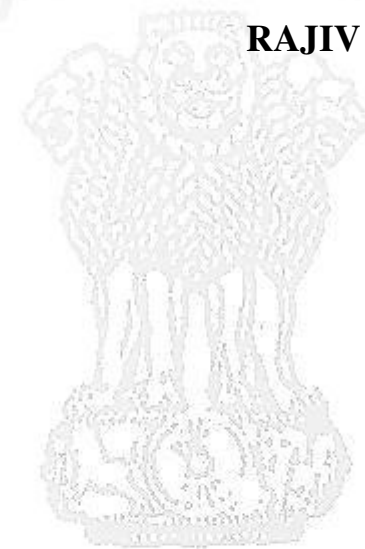
49. The parties are left to bear their own costs.

50. Decree sheet be prepared.

RAJIV SAHAI ENDLAW, J.

NOVEMBER 06, 2019

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