

Kirloskar Electric Company Limited.	..	Petitioner
Versus		
Kirloskar Proprietary Limited & Ors.	..	Respondents

WRIT PETITION NO.8263 OF 2021

Kirloskar Brothers Limited	..	Petitioner
Versus		
Kirloskar Proprietary Ltd. & Ors.	..	Respondents

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Mr.Surel Shah with Mr.Yohaann Limathwalla, Mr.Shahbaz Malbari i/b J. Sagar Associates for the Petitioner in WP/8261/21.

Mr. Anil Anturkar, Senior Advocate with Mr. Ravi Bhardwaj,
Mr. Unmesh Dhindore i/b Mr. Ajinkya Udane for the Respondent
No. 4 in WP/8261/21 and for the Petitioner in WP/8263/21.

Mr.Nikhil Sakhardande, Senior Advocate with Ms.Ekta Tyagi
i/b DSK Legal for the Respondent No.1.

Dr.Birendra Saraf, Senior Advocate with Ms.Ekta Tyagi,
Ms.Anjali Shah i/b DSK Legal for the Respondent No.2.

Mr.Nausher Kohli and Ms.Anjali Shah i/b DSK Legal for the Respondent No.3.

Mr.Venkatesh Dhond, Senior Advocate with Mr.Akshay Kolse-Patil, Mr.Ravi Raje Bhosale, Mr.S.S.Ghosh, Mr.Jagdish Gorane and Mr.Samarth Chowdhary i/b M/s.Hariani & Co. for the Respondent Nos.5 to 8.

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CORAM: BHARATI DANGRE, J.

DATED : 30th NOVEMBER, 2021

P.C:-

1. The two writ petitions captioned above, seek an identical relief and the petitioners in the two writ petitions are the plaintiffs in the Civil Suit instituted under Section 105 of the Trade and Merchandise Marks Act, 1958, in the Court of District Judge, Pune and numbered as Civil Suit No.3 of 1993. In the present writ petitions, the petitioners pose a challenge to an order dated 12/11/2021, passed on an application filed by them, praying for re-casting of the issues, which according to them were wrongly framed as they are against the statutory principles.

The ground for challenge, while assailing the impugned order is, that the trial court has dismissed the application without going into merits, ignoring that the issues can be re-cast at any stage and a particular issue, having no bearing in a suit for passing off is continued to be retained. It is also alluded that, by refusing to re-cast the issues, it will have its effect upon the inter se dispute between the respective petitioners and the respondent No.1 and would result in irreparable loss to them.

2. Heard learned senior counsel Mr.Anturkar and learned counsel Mr.Surel Shah for the petitioners, learned senior counsel Mr.Sakhardande for the respondent No.1, learned senior counsel Dr.Birendra Saraf for the respondent No.2, learned counsel Mr.Nausher Kohli for the respondent No.3 and

learned senior counsel Mr.Venkatesh Dhond for the respondent Nos.5 to 8.

3. Civil Suit No.3 of 1993 was filed by Kirloskar Proprietary Limited alongwith three other existing companies, which form part of Kirloskar Group of Companies with a plea that the word 'Kirloskar' forms part of the corporate name of each of the plaintiffs. The plaintiffs claimed that plaintiff No.1-Kirloskar Proprietary Limited is the registered and recorded holder of various trade marks, which are legal property of plaintiff No.1 under the provisions of the Trade and Merchandise Marks Act, 1958. It was pleaded that plaintiff No.1 was formed with a view to hold all the trademarks centrally so that the effective legal actions could be taken to protect the said trademarks from infringement etc. and accordingly it had acquired various registered trade marks of the companies in the group by executing Deed of Assignment, pursuant to which plaintiff No.1 was recorded as proprietor of the said marks and it granted its user to various member companies by entering into necessary agreements and the concerned companies came to be recognized as 'Registered Users'.

Apart, plaintiff No.1 also claimed to be registered and recorded holder of the artistic work 'Kirloskar' in English, Hindi and Marathi and the same were registered under the Copyright Act, 1957, which was claimed to be legal property of plaintiff No.1 under the Copyright Act, 1957 and in the similar fashion, plaintiff Nos.2 to 5 were admitted as registered users of various trade marks and/or copyrights held, possessed and owned by plaintiff No.1.

4. The suit was filed against Sardesai Auto Parts Private Limited erstwhile 'Kirloskar Diesel Recon Private Limited', also a company incorporated under the Companies Act and its Chairman Mr.Arun Kirloskar for permanent injunction and damages. I need not go into the minute details of the dispute between the plaintiffs and the defendants, but it would be necessary for refer to the substantial prayers in the suit, which read thus :

“(a) That the 1st Defendants by themselves, their servants and agents be restrained by a perpetual order and injunction of this Hon’ble Court from using the word ‘Kirloskar’ as part of the 1st Defendants, corporate name and/or trading style so as to pass off or enable other to pass off the 1st Defendants’ goods and/or business as that of the Plaintiffs or in some way connected with the Plaintiffs and the Kirloskar Group of Companies;

(b) That the Defendant be ordered and decreed to pay to the Plaintiffs a sum of Rs.10,00,000/- (Rupees Ten Lakhs only) by way damages or in the alternative the Defendants be ordered and decreed to render a true and faithful account of all the profits earned by the 1st Defendants by using the impugned corporate name and the Defendants be further ordered and decreed to pay to the Plaintiffs such amount as may be found due on such account being taken;”

5. The defendants in the suit filed their written statement, traversing the pleadings in the plaint and claim to the legal

property of plaintiff No.1 was also denied with a specific plea that plaintiff No.1 has not carried out any activity of trade and manufacture so as to enable them to claim the trade mark, as a consequence, assignment of transfer of the said mark to plaintiff Nos.2 to 5 was pleaded to be without any legal consequence. The cause of action for filing of the suit was also denied with a specific pleading that the defendants had statutory right to bonafide use of the surname and the insinuation against the defendants that they have an intention to trade on plaintiffs' reputation was described as a groundless pleading.

6. On the rival contentions, the learned District Judge, Pune, formulated the following issues as the main contesting issues.

- “1. Whether this Court has jurisdiction to try this suit?
2. Whether the suit is bad in law on account of misjoinder of parties and causes of action and/or non joinder of necessary parties?
3. Do Plaintiffs prove that trade marks enumerated in the list alongwith the Plaint at Annexure A are the legal property of the Plaintiff No.1?
4. Do Plaintiffs prove that Plaintiff No.2 to 5 are the permitted users of various trade marks and/or copy rights held, possessed and owned by the Plaintiff No.1?
5. Do Plaintiffs prove that the Plaintiff Nos.6 and 7 are permitted users of the copy rights held, possessed and owned by the Plaintiff No.1?

6. Do the Defendants prove that they have adopted the name bonafide?

7. Do Plaintiffs prove the concept of Kirloskar Group of Companies and the word Kirloskar connotes, distinctiveness, reputation, quality and good will?

8. Do Plaintiffs prove that they alone have a right to adopt and use the word 'Kirloskar' as a trade mark or trade name?

9. Do Defendants prove that under Section 34 of the Trade Marks Act, they are entitled to adopt and use the present corporate name?"

7. During the pendency of the aforesaid suit, the differences arose between plaintiff No.1 i.e. 'Kirloskar Proprietary Ltd.' and the other plaintiff companies. 'Kirloskar Brothers Limited' (Petitioner in WP/8263/21) filed a suit under Section 6 of the Commercial Courts Act, 2015 against the 'Kirloskar Proprietary Ltd.', seeking a declaration that the plaintiff has right of permanent license/user of and is entitled to an exclusive and interminable use of Trademarks forming the subject matter of the Deeds of Assignment, User Agreements and Supplementals/Amendments/Modifications thereto. A declaration is also sought to the effect that the letters of termination issued to it are bad in law. Apart from this, the alternative relief is sought in the suit to declare the Deeds of Assignment between the two parties to be void for failure of consideration and the defendants shall deliver the original Deeds of Assignment to the plaintiff and declare them to be

cancelled and restore the Trade Marks assigned under the Deed of Assignment.

A copy of the plaint, in the aforesaid suit is placed on record. Learned senior counsel Mr.Sakhardande appearing for the 'Kirloskar Proprietary Ltd.' states that the letters of termination stand withdrawn.

8. The suit being filed as a subsequent development, plaintiff No.2 filed an application for re-casting (deletion/modification) of the issues as set out in para 6 of the application. Pertinent to note that this application is filed on 14/10/2021 by which, plaintiff No.2 sought deletion of Issue Nos.1, 2 and 3 and modification/amendment of Issue No.7. The application is filed at a stage when the evidence is over and by order dated 12/11/2021, application (Exh.532) is rejected with costs.

The learned Judge, while rejecting the application, records that the suit is at stage where the issues are already framed and re-casted and the evidence has already been adduced by the parties. The plaintiffs inter se are fighting and plaintiff No.2 is now before the Court, seeking re-casting of the issues, when initially the suit was jointly filed by the plaintiffs and they have jointly adduced the evidence and also the cross-examination of the defendants' witnesses was common. Casting aspersion on plaintiffs, that the application is filed with an intention to prolong the suit, which is pending for about 27 years, the observation is made that the application deserves a rejection.

9. The application filed by plaintiff No.4, met the same result where he has not filed any suit, but on account of the inter se dispute, plaintiff No.4 had approached the Company Law Board and on 12/05/2005, a declaration was given to the effect that the Deed of Assignment, granting certain declaration against which an Appeal had been preferred and by virtue of the order passed by the High Court, plaintiff is held entitled to use and continue to use the trade mark 'Kirloskar'. The Company Appeal is pending before the High Court on a question of law and the argument of the petitioner, before this Court through learned counsel Mr.Shah is that adjudication of issues in the present suit shall cause prejudice to him, since there is a possibility that conflicting finding will be delivered, which will create legal complications and, therefore, re-casting of issues was sought, but the request is rejected.

10. The petitioners before this Court, being plaintiff Nos.2 and 4 in the original suit, seek deletion of the three issues. As far as Issue No.3 is concerned, the respective counsel appearing for the respondents have no objection for deletion of the said issue, which casts burden on plaintiff Nos.6 and 7, who are already deleted from the array of plaintiffs. Similarly, learned senior counsel Mr.Sakhardande fairly states that the modification of the existing Issue No.7, which is sought in the application, also deserves to be granted as by mistake, the burden is cast on the plaintiffs, but it should be discharged by the defendants; being whether they are entitled to adopt and use the present corporate name.

11. The bone of contention between the parties remains Issue Nos.1 and 2, which read thus :-

“1.Do Plaintiffs prove that trade marks enumerated in the list alongwith the plaint at Annexure A are the legal property of the plaintiff No.7

2. Do Plaintiffs prove that Plaintiff No.2 to 5 are the permitted users of various trade marks and/or copy rights held, possessed and owned by the plaintiff No.1?

12. Though the learned senior counsel Mr.Anturkar makes a strenuous effort to persuade me to delete the subject issues in an attempt to demonstrate as to how the said issues would prejudice the rights of his client in the pending suit. Similar is the stand taken by the learned counsel Mr.Surel Shah who would urge that these two issues would have an impact on the proceedings, pending before the High Court in an Appeal.

On consideration of their submissions, I am in no way persuaded to accede to their request of deletion of Issue Nos.1 and 2 for the following reasons.

On perusal of the pleadings in the Suit No.3 of 1993, which is jointly instituted by plaintiff Nos.1 to 5 against the defendant Nos.1 and 2, seeking a order of perpetual injunction, from using the words ‘Kirloskar’ and seeking an action of passing off against the defendants, Issue No.1 as to whether the plaintiffs prove that trade marks enumerated in the plaint are legal property of plaintiff No.1 is essential and germane for determining the dispute in the civil suit filed by

the plaintiffs jointly, in the light of the relief claimed by them against the defendants. The second issue whether the plaintiffs prove that plaintiff Nos.2 to 5 are the permitted users of various trade mark and or copyrights possessed and owned by plaintiff No.1, is based on their own pleadings in paragraph Nos.2 to 4 of the plaint. It is the case of the plaintiffs, that the word 'Kirloskar' forms an important part of the corporate name or that of the plaintiffs and the Kirloskar Group of Companies and it is pleaded that the plaintiffs are using the trade name 'Kirloskar' for image building and they have been carrying extensive business by its use. The defendants are sought to be restrained from making use of this trade mark and the action of defendant No.2, who was once upon a time associated with Kirloskar Group of Companies, is alleged to be full of deception and confusion in the public when in fact, no connection exists. The plaintiffs collectively submit that by using the impugned corporate name, the defendants have caused loss and damage to the plaintiffs. During the pendency of the said suit, I am informed that the injunction has been granted in favour of the plaintiffs.

13. The suit is of the year 1993 and the issues were initially settled on 31/12/1995 and re-casted on 24/04/2013. The plaintiffs led their evidence and a pursis was filed that a common evidence will be led. The suit reached to the stage of final hearing in the year 2018 and across the bar, it is informed that the defendants have already concluded their arguments and the plaintiffs are responding and their arguments are in progress and the next date in the proceeding is 13/12/2021.

14. In the backdrop of the aforesaid, it can be seen that the present petitioners, being plaintiff Nos.2 to 4, have joined hands and filed the suit alongwith plaintiff No.1. However, at a subsequent point of time when they drifted apart, after lapse of 27 years of filing of the suit, the issues are sought to be re-casted.

It is settled position of law that the issues would be settled in a suit, depending upon the pleadings of the parties and the written statement and Order 14 Rule 1 of the C.P.C. contemplates framing of issues, being issues of fact and issues of law. As per sub-rule (5) of rule (1) of Order 14, it is imperative for the Court to frame and record the issues, after reading the plaint and the written statement, if any and after examination under Rule (2) of Order 10 and on hearing the parties and their pleaders and upon ascertaining what material propositions of fact or of law, the parties are at variance. The issues are the soul of a suit and on its framing, on conclusion of the trial, the concerned court would deliver its judgment, revolving around the said issues.

In the wake of the aforesaid, the attempts on part of the petitioners to seek re-casting of the issues at the fag end of the trial, do not warrant any consideration, moreso, on the ground on which it is sought. The apprehension expressed by the learned senior counsel Mr.Anturkar and learned counsel Mr.Surel Shah for the petitioners that the determination of Issue Nos.1 and 2 in the suit filed collectively by the plaintiffs will have effect on their inter se dispute, i.e. dispute with plaintiff No.1, is unfounded and does not found its genesis at all. The apprehension being baseless has been rightly turned

down, by rejecting the application.

Resultantly, by upholding the impugned judgment, the writ petitions stand dismissed.

(SMT. BHARATI DANGRE, J.)