IN THE HIGH COURT OF JUDICATURE AT MADRAS

Orders Reserved on	24.04.2025
Orders Pronounced on	18.06.2025

CORAM

THE HONOURABLE **MR.JUSTICE SENTHILKUMAR RAMAMOORTHY**

(T)OP(TM)Nos.376 to 383 of 2023
& (TM)A.No.15 of 2025
(ORA/89 to 96/2020/TM/CHN)

In all the eight petitions:

C.Krishniah Chetty & Sons Private Limited,
Corporate Office: The Touchstone,
3-3/1 Main Guard Cross Road, Bengaluru – 560001. ... Petitioner

-vs-

1. Deepali Company Private Limited,
35, Commercial Street, Bengaluru – 560001.

2. The Registrar of Trade Marks,
IP Building,
Chennai 600 032. ... Respondents

Prayer in (T)OP(TM)No.376 of 2023: Transferred Original Petition (Trade Marks) is filed under Section 47 & 57 of the Trade Marks Act, 1999 to examine the records of the said registered trade mark no.3743497 in class

14 registered in favour of the 1st respondent and further direct the 2nd respondent to rectify the said trade mark no.3743497 in class 14 in the Register of Trade Marks by expunging all the entries in the Register of Trade Marks relating to the said trade mark no.3743497 in class 14 and direct the 1st respondent to pay the costs of the present proceedings.

Prayer in (T)OP(TM)No.377 of 2023: Transferred Original Petition (Trade Marks) is filed under Section 47 & 57 of the Trade Marks Act, 1999 to examine the records of the said registered trade mark no.3743498 in class 35 registered in favour of the 1st respondent and further direct the 2nd respondent to rectify the said trade mark no.3743498 in class 35 in the Register of Trade Marks by expunging all the entries in the Register of Trade Marks relating to the said trade mark no.3743498 in class 35 and direct the 1st respondent to pay the costs of the present proceedings.

Prayer in (T)OP(TM)No.378 of 2023: Transferred Original Petition (Trade Marks) is filed under Section 47 & 57 of the Trade Marks Act, 1999 to examine the records of the said registered trade mark no.3743506 in class 35 registered in favour of the 1st respondent and further direct the 2nd respondent to rectify the said trade mark no.3743506 in class 35 in the Register of Trade Marks by expunging all the entries in the Register of Trade Marks relating to the said trade mark no.3743506 in class 35 and direct the 1st respondent to pay the costs of the present proceedings.

Prayer in (T)OP(TM)No.379 of 2023: Transferred Original Petition (Trade Marks) is filed under Section 47 & 57 of the Trade Marks Act, 1999 to examine the records of the said registered trade mark no.2936330 in class 42 registered in favour of the 1st respondent and further direct the 2nd respondent to rectify the said trade mark no.2936330 in class 42 in the Register of Trade Marks by expunging all the entries in the Register of Trade Marks relating to the said trade mark no.2936330 in class 42 and direct the 1st respondent to pay the costs of the present proceedings.

Prayer in (T)OP(TM)No.380 of 2023: Transferred Original Petition (Trade Marks) is filed under Section 47 & 57 of the Trade Marks Act, 1999 to examine the records of the said registered trade mark no.3743507 in class 36 registered in favour of the 1st respondent and further direct the 2nd respondent to rectify the said trade mark no.3743507 in class 36 in the Register of Trade Marks by expunging all the entries in the Register of Trade Marks relating to the said trade mark no.3743507 in class 36 and direct the 1st respondent to pay the costs of the present proceedings.

Prayer in (T)OP(TM)No.381 of 2023: Transferred Original Petition (Trade Marks) is filed under Section 47 & 57 of the Trade Marks Act, 1999 to examine the records of the said registered trade mark no.3743504 in class 42 registered in favour of the 1st respondent and further direct the 2nd respondent to rectify the said trade mark no.3743504 in class 42 in the

Register of Trade Marks by expunging all the entries in the Register of Trade Marks relating to the said trade mark no.3743504 in class 42 and direct the 1st respondent to pay the costs of the present proceedings.

Prayer in (T)OP(TM)No.382 of 2023: Transferred Original Petition (Trade Marks) is filed under Section 47 & 57 of the Trade Marks Act, 1999 to examine the records of the said registered trade mark no.3743500 in class 42 registered in favour of the 1st respondent and further direct the 2nd respondent to rectify the said trade mark no.3743500 in class 42 in the Register of Trade Marks by expunging all the entries in the Register of Trade Marks relating to the said trade mark no.3743500 in class 42 and direct the 1st respondent to pay the costs of the present proceedings.

Prayer in (T)OP(TM)No.383 of 2023: Transferred Original Petition (Trade Marks) is filed under Section 47 & 57 of the Trade Marks Act, 1999 to examine the records of the said registered trade mark no.3743505 in class 14 registered in favour of the 1st respondent and further direct the 2nd respondent to rectify the said trade mark no.3743505 in class 14 in the Register of Trade Marks by expunging all the entries in the Register of Trade Marks relating to the said trade mark no.3743505 in class 14 and direct the 1st respondent to pay the costs of the present proceedings.

In all the eight petitions

For Petitioner : Mr.Mandeep S.Kalra

		Mr.Sivaraman Vaidyanathan
		Mr.Adithya D.Athreya
		for M/s.A.V.Nathan Associates
For R1	:	Mr.Jayant Mehta, Senior Counsel
		for Mr.Arun C.Mohan
		Ms.Krutika Raghavan
		Ms.Sameeksha
		Mr.S.Karthik
For R2	:	Mr.A.R.Sakthivel, SPC

COMMON ORDER

Background

One Cotha Krishniah Chetty established jewellery business in the year 1869. Since then, such business has been carried on continuously until date. It is common ground between the contesting parties that the jewellery business established by Cotha Krishniah Chetty was being carried on by a partnership firm under the name and style of C.Krishniah Chetty & Sons. It is also the admitted position that both Mr.C.V.Hayagriv and his immediate family and Mr.C.V.Narayan and his immediate family had a stake in the said partnership firm. By deed of dissolution dated 28th April 1980, which was executed by and between all parties having a stake in the partnership firm and C.Krishniah Chetty & Sons Private Limited, which is the petitioner herein, the entire business of the partnership was to be taken over as a going concern by the petitioner herein along with all the assets and liabilities indicated in Annexure-A to the deed of dissolution. The deed of dissolution also provided for payment of amounts standing to the account of the parties of the first to ninth parts and the party of the eleventh part therein by the petitioner herein to the said parties on terms and conditions to be mutually agreed upon.

2. The list of shareholders of the petitioner, as on 31st March 2018, has been placed on record. This document discloses that members of both the Hayagriv family and the Narayan family are shareholders of the petitioner. The petitioner asserts that 50% of the shareholding is held by the Hayagrivs and the balance 50% by the Narayans. Notwithstanding the equal shareholding of the two families, it is stated that six directors are from the Hayagriv group and only two from the Narayan group.

3. The contesting parties also agree that disputes arose between the Hayagrivs and the Narayans and that efforts were made to resolve the same. Towards this end, it is stated that a document styled as 'Binding Family Settlement' was executed on 9th January 2014 ("Settlement Agreement") by and between parties described as parties of the first to fifth part. The parties of the first part were described therein as the CVH group and the parties of the second part were described as the CGN group. The CVH group is the Hayagriv group and the CGN group is the Narayan group. The petitioner herein was the party of the third part and was described therein as CKC. The 1st respondent herein was the party of the fifth part and was described therein as CKC Deepali. A corporate entity under the name and style of C.Krishniah Chetty Jewellers Private Limited was the party of the fourth part therein, and was described therein as CKC Jewellers.

4. The Settlement Agreement provided for the demerger of the store and business operated under the name 'TouchStone' by CKC by transfer into CKC Jewellers. Likewise, it provided for the demerger of the store and business

operated under the name 'TouchStone South' by CKC by transfer into CKC Deepali. In both cases, as consideration for the demerger, the transferee concern was required to issue equity shares to the shareholders of CKC. CKC was also required to assign all intellectual property rights to CKC Deepali and CKC Jewellers. If the scheme of demerger did not come into effect by 31st December 2014 or such extended period not later than 28th February 2015, the parties were required to implement the commercial and economic substance of the settlement by transferring 'TouchStone' and 'TouchStone South' to CKC Jewellers and CKC Deepali, respectively, by way of a slump sale at book value (the alternative structure). The alternative structure was required to be implemented on or before 31st March 2015. Neither the demerger nor slump sale took place pursuant to the Settlement Agreement.

5. Meanwhile, the 1st respondent applied for the registration of trade marks containing the words 'C.Krishniah Chetty' and variants thereof. According to the petitioner, in respect of all applications that were opposed by the petitioner, the application was either rejected or abandoned. The

petitioner says that eight applications were not opposed on account of inadvertent oversight and such applications were allowed by the Registrar of Trade Marks. The said eight applications form the subject of these petitions for rectification under Sections 47 and 57 of the Trade Marks Act, 1999 (the TM Act). When these petitions were filed before the erstwhile Intellectual Property Appellate Board (the IPAB), the petitioner applied for interim relief in respect of the impugned registrations. By order dated 19th January 2021, the IPAB granted an interim stay of the impugned registrations. This order was challenged in W.P.No.2646 of 2021 before the High Court of Karnataka. The writ petition was dismissed by order dated 20th April 2023 and the special leave petition against the same was dismissed as withdrawn even before it was numbered.

6. Mrs.C.Valli Narayan, a member of the Narayan group, filed C.P.No.54 of 2014 before the Company Law Board, Chennai Bench, seeking relief in respect of alleged oppression and mismanagement in respect of the affairs of the petitioner. The relief claimed therein was modified later by including the implementation of the above mentioned

Settlement Agreement. By order dated 24th January 2019, the National Company Law Tribunal, Bengaluru Bench (the NCLT), which was formed after the dissolution of the Company Law Board as its successor, rejected the petition. The petitioner carried the matter in appeal before the National Company Law Appellate Tribunal, New Delhi (the NCLAT), and the appeal is pending. The order impugned therein has not been stayed as on date. By invoking the arbitration clause in the Settlement Agreement, an application under Section 9 of the Arbitration and Conciliation Act, 1996 (the Arbitration Act) was also filed by Mr.C. Ganesh Narayan before the Additional City Civil and Sessions Judge, Bengaluru. By order dated 5th January 2019, the said application was rejected under Order VII Rule 11 of the Code of Civil Procedure, 1908 (the CPC). The said order was not appealed against and remains binding as on date.

7. A separate petition was filed by Dr. C. Vinod Hayagriv and five others before the NCLT (C.P. No.04/BB/2020) against the petitioner, C. Ganesh Narayan and nine others alleging oppression and mismanagement in the affairs of the petitioner by the Narayans and seeking *inter alia* a

direction for the sale of the shareholding of the Narayan group in the petitioner to the Hayagriv group and to restrain the Narayan group from carrying on competing business. By order dated 12th July 2021, the Narayan group was directed to maintain *status quo* and the said order was extended until further orders by orders dated 07th August 2021 and 27th August 2021. A subsequent order dated 08th February 2023 of the NCLT in the interlocutory applications in the above mentioned petition was challenged in W.P.No.5326 of 2023 before the High Court of Karnataka. This writ petition was disposed of by order dated 28th March 2023 by directing the NCLT to dispose of the pending interlocutory applications expeditiously. Pursuant thereto, by order dated 24th August 2023, the interlocutory applications of the Hayagriv group in C.P. No.04/BB/2020 were allowed by restraining the Narayan group from *inter alia* carrying on competing business.

8. A suit seeking relief in respect of alleged infringement of trade marks and passing off was filed by the petitioner against the Narayan group before the Commercial Court, Bengaluru, in COS No.306 of 2020. The

plaint was rejected, by order dated 17th February 2022, on the ground that the suit is barred under Section 430 of the Companies Act, 2013 (the CA 2013). An appeal was filed against the said order in Commercial Appeal No.161 of 2023 before the High Court of Karnataka along with an application to condone delay. By judgment dated 2nd June 2025, the application to condone delay was rejected and, consequently, the appeal did not survive. Because this judgment was pronounced after orders were reserved in these matters, a copy of the judgment was submitted by learned counsel for the 1st respondent after mentioning the matter.

Counsel and their Contentions:

9. After opting out of adducing oral evidence by choosing to rely solely on documents, oral arguments on behalf of the petitioner were advanced by Mr.Mandeep S.Kalra, learned counsel, and on behalf of the 1st respondent by Mr.Jayant Mehta, learned senior counsel. The 2nd respondent was represented by Mr.A.R.Sakthivel, learned SPC. The petitioner and the 1st respondent also filed written submissions.

10. The first contention of Mr.Mandeep S.Kalra was that the 1st respondent is not entitled to rely upon the Settlement Agreement in view of the said agreement not being implemented either by way of a demerger or slump sale. In this connection, he emphasized that the demerger option was required to be implemented on a date not later than 28th February 2015. As regards the alternative method of slump sale, he submitted that the Settlement Agreement provided that it should be implemented fully on or before 31st March 2015. In view of the lapse of the deadline for implementation under the Settlement Agreement, learned counsel contended that the Settlement Agreement is no longer capable of implementation, and cannot be relied on. As a consequence, he further submitted that only the petitioner is entitled to carry on business by using the trade mark C.Krishniah Chetty or its variants.

11. The second contention of learned counsel was that the 1st respondent is not entitled to rely on the Settlement Agreement on account of the consistent view expressed by more than one adjudicatory forum to the

effect that the Settlement Agreement had not come into effect. In support of this contention, learned counsel relied upon the order of the City Civil Court, Bengaluru, rejecting the application under Section 9 of the Arbitration Act by taking recourse to Order VII Rule 11 of CPC. He also relied upon the final order of the NCLT dismissing C.P.No.54 of 2014.

12. His third contention was that all trade mark applications of the 1st respondent that were opposed by the petitioner were either rejected or treated as abandoned by the Registrar of Trademarks. As regards the eight applications forming the subject of these petitions, he submitted that the applications were allowed because the petitioner inadvertently failed to notice these applications and, therefore, could not oppose the same. He also pointed out, in this regard, that the interim order dated 27th April 2018 of the NCLT in C.P.No.54 of 2018 was not disclosed while prosecuting trade mark application no.3743497, including while submitting reply dated 04.06.2018.

13. The next contention of learned counsel was that the entire

business of the partnership firm, C.Krishniah Chetty and Co., was taken over by the petitioner under a deed of dissolution, and that the assets transferred under the deed of dissolution included all trade marks. Consequently, learned counsel submitted that only the petitioner is entitled to use these trade marks and that no other entity may do so unless licensed by the petitioner. By referring to the impugned marks, learned counsel submitted that the impugned marks are nearly identical to the petitioner's trade marks. In support of this contention, learned counsel referred to the 28 registered trade marks of the petitioner, which cover both word and device marks, and compared the same with the impugned marks. He also pointed out that trade mark no.2936330 and trade mark no.2936331 are for nearly identical marks. On account of opposition, trade mark no.2936331 was rejected as abandoned, whereas the application for registration of trade mark no.2936330 was allowed on account of the petitioner's inability to object due to lack of knowledge.

14. By referring to the interim order of *status quo* and the subsequent order allowing I.A.Nos.4-7 of 2021 in C.P.No.4/BB/2021, learned counsel

submitted that the NCLT restrained the 1st respondent from carrying on competing business pending disposal of the petition. He also referred to the interim order of the IPAB granting an interim stay of the impugned registrations. According to learned counsel, these orders fortify the case for rectification.

15. The last submission of learned counsel was that the registration of deceptively similar trade marks by the 1st respondent is likely to cause deception or confusion among the public and that the entries relating thereto were made without sufficient cause. He further submitted that the continuation of these marks on the register causes grave harm and prejudice to the petitioner, including financial losses. He also submitted that the applications for registration were filed on “proposed to be used” basis, but no business was carried on until 2021. Consequently, he submitted that such applications were made without the *bona fide* intention of using the impugned marks, and that the marks were not used even when these petitions were filed in 2020. Hence, he contended that these entries are liable to be expunged from the Register of Trademarks.

16. In support of his contentions, learned counsel referred to and relied upon the following judgments:

(i) *Veena Singh (dead) through legal representatives v. The District Registrar/Additional Collector and others, MANU/SC/0615/2022*;

(ii) *M/s. Hira Mistan v. Rustom Jamshedji Noble & others, 1999 SCC OnLine Bom 604*;

(iii) *Krishnappa, since dead, represented by his legal representatives and others v. Smt.Ashwathamma, 2022 SCC OnLine Kar 1817*;

(iv) *American Home Products Corporation v. MAC Laboratories Private Limited and another, (1986) 1 SCC 465*;

(v) *Smt.Anupam Khemka v. M/s.Shreesidhi Creations Private Limited, 2011 SCC OnLine IPAB 40*; and

(vi) *M/s.Haldiram (India) Pvt. Limited and others v. The Registrar of Trademarks and others, 2013 SCC OnLine IPAB 61.*

17. Mr.Jayant Mehta, learned senior counsel, responded to these contentions. At the outset, two preliminary objections were raised. The first

objection was that these petitions were not filed pursuant to valid authorisation by way of a board resolution. After also pointing out that an interim order was issued restraining the board of directors of the petitioner from taking decisions, it was contended that the resolution passed by circulation is not valid. The second preliminary objection was that the alleged violation of Section 166 of the CA 2013 cannot be agitated in these proceedings and that Section 430 thereof bars the jurisdiction of civil courts in respect of matters that the NCLT is authorised to determine.

18. The next submission was that both the Hayagrivs and Narayans are descendants of the founder, Cotha Krishniah Chetty, and are, consequently, entitled to use the trade mark C.Krishniah Chetty and variants thereof. He relied on Section 35 of the TM Act, in this regard, to contend that the first respondent is entitled to use the name of its predecessor in business. He also pointed out that the suit for alleged infringement of trade mark was dismissed.

19. As regards the Settlement Agreement, learned senior counsel

submitted that it was duly signed by all parties thereto. In specific, he pointed out that both the petitioner and the 1st respondent are parties thereto. By relying on clause 1(k), he pointed out that the Settlement Agreement recognises that intellectual property rights are co-owned. By referring to clause 3(d), he pointed out that the Agreement does not provide for any restriction on carrying on competing business. By referring to the minutes of board meetings held on 09 January 2014 and 25th February 2014, learned senior counsel submitted that the petitioner is bound by the Settlement Agreement and was required to take all measures necessary for the performance of obligations undertaken thereunder. As a corollary, he contended that it is not open to the petitioner to resile from the understanding reached and recorded in the Settlement Agreement. Hence, he contended that these petitions are an abuse of process.

20. As regards the dismissal of C.P.No.54 of 2014, learned senior counsel submitted that an appeal has been filed before the NCLAT. Consequently, he contended that the request for implementation of the Settlement Agreement is pending consideration by the NCLAT. By further

submitting that the 1st respondent is entitled to use the impugned marks in relation to its jewellery business, learned senior counsel submitted that the petitioner has failed to make out a case for rectification in relation to the impugned marks.

21. By referring to the permission granted to the petitioner's affiliates, including C.Krishniah Chetty Jewellers Private Limited (CKC Jewellers), to use trade marks with the words C.Krishniah Chetty or its variants, he submitted that the petitioner and the Hayagriv group acted on the Settlement Agreement and benefitted from the same. Consequently, he contended that the petitioner is not entitled to the relief claimed on grounds of estoppel and acquiescence.

22. After further submitting that the impugned marks are in use and that the entries remain validly on the register, he submitted that no case is made out for rectification either under Sections 47 or 57 of the TM Act.

23. In support of these contentions, learned senior counsel referred to and relied upon the following judgments:

(i) *Hari Shankar Singhania and others v. Gaur Hari Singhania and others, (2006) 4 SCC 679*;

(ii) *Shri Ram Education Trust v. SRF Foundation and another, 2016 SCC OnLine Del 472*, particularly paragraphs 14 to 17 thereof.

(iii) *Krishna Sweets Private Limited v. M.Murali, 2017 SCC OnLine Mad 4405*, particularly paragraphs 41 to 43 thereof.

24. Mr.Mandeep S.Kalra made submissions in rejoinder. In response to the contention that the petitioner was required to take necessary measures to fulfil obligations under the Settlement Agreement, he contended that such obligations were intended to be performed in a specific sequence. By relying on clause 1(h) thereof, he pointed out that this is the only time-bound obligation and was required to be fulfilled by the Narayan group by transferring their shares in the petitioner to the Hayagriv group. In this connection, he also relied upon paragraph 9 of the order of the NCLT in C.P.No.54 of 2018 recognising clause 1(h) as being a condition precedent. The minutes of the board meeting held on 25th February 2014 were relied on in this regard.

25. After emphasising that the obligation to assign the intellectual property rights is conditional upon the fulfillment of the obligation under

clause 1(h), he reiterated that 31st March 2015 was the long stop date even for implementing the alternative structure under the Settlement Agreement. Upon expiry of such date, he contended that it is no longer possible to implement the Settlement Agreement. As a consequence, he contended that only the petitioner, which is the owner of the intellectual property rights under the deed of dissolution, is entitled to use the trade mark 'C.Krishniah Chetty' and variants thereof.

26. By relying on clause 7 of the Settlement Agreement, he pointed out that it prohibits parties from using the marks and from carrying on independent business. By referring to the 1st respondent's reply to the examination report of the Registrar of Trade Marks, learned counsel submitted that the 1st respondent relied primarily on the Settlement Agreement and not on lineage or heritage as justification for adopting and using the impugned marks. Although the reply dated 04th June 2018 was subsequent to the order dated 27th April 2018 of the NCLT restraining the 1st respondent from carrying on competing business, he contended that there was suppression of material facts while submitting such reply.

27. By referring to the interim order dated 19th January 2021 of the erstwhile IPAB, learned counsel submitted that such order was granted on the basis that the Settlement Agreement was not acted upon. He also pointed out that the writ petition challenging the order was rejected and the SLP against the order dismissing the writ petition was thereafter dismissed as withdrawn. As regards use of similar marks by CKC Jewellers, he distinguished the same on the ground that it was with the consent of the petitioner under the Agreement for Joint Ownership of Trademarks dated 2nd July 2019 (the Joint Trademarks Proprietorship Agreement). He also contended that all the parties thereto are entities in which both the Hayagriv group and the Narayan group have a stake as shareholders.

Discussion, Analysis and Conclusion:

28. The first issue that warrants a brief consideration is with regard to the maintainability of the petition. The 1st respondent challenged the maintainability on the ground that the petition was not instituted pursuant to a valid board resolution. A petition for rectification either under Sections 47 or 57 of the TM Act may be instituted by any person aggrieved. The record

shows that the petitioner and the 1st respondent are entities engaged in identical jewellery businesses. The case of the petitioner is that the impugned marks are deceptively similar to those adopted and used by the petitioner. This contention is not denied by the 1st respondent. Instead, the 1st respondent justified such use on the ground that the 1st respondent is an entity controlled by descendants of Cotha Krishniah Chetty. On that basis, it is stated that the 1st respondent is entitled to use the impugned marks. In these facts and circumstances, the petitioner clearly qualifies as a person aggrieved for purposes of Sections 47 and 57. Especially for purposes of Section 57, the Supreme Court held in *Hardie Trading Ltd. & another v. Addisons Paint & Chemicals Ltd., (2003) 11 SCC 92,* that the expression 'person aggrieved' should receive a wide construction. The only aspect that remains to be considered, in this regard, is whether requisite corporate actions were taken in relation to the institution of the petition.

29. The case of the petitioner is that both the Hayagriv group and the Narayan group have equal shareholding in the petitioner. The NCLAT had recorded an undertaking by the petitioner not to hold any board meetings.

In view thereof, it was not possible to hold a board meeting. The petitioner has, in those circumstances, submitted a resolution passed by circulation and authorising the institution of the petition. In my view, the order recording the undertaking not to hold board meetings is intended to prevent the transaction of business by the board of directors, whether by way of board meetings or by passing resolutions by circulation. Therefore, the resolution passed by circulation was in contravention of the undertaking before the NCLAT and cannot be accepted.

30. Nonetheless, in a situation where it is not possible to hold either a board meeting or a shareholders' meeting on account of the disputes between two groups of shareholders with equal shareholding, these petitions would be maintainable as derivative actions by shareholders from one of the groups provided such petitions are for the furtherance of the interest of the company. These petitions may not satisfy procedural requirements of derivative petitions inasmuch as the Hayagriv group shareholders have not indicated, in the cause title, that these petitions are derivative actions on behalf of the company. In substance, however, such requirements are met

because these petitions are filed for the company through a group holding 50% of the shares in the petitioner for rectification of entries relating to registrations obtained by the holder of the remaining 50%. Since these petitions are purportedly directed at protecting the proprietary interest of the company vis-a-vis the impugned trade marks, I am inclined to reject this preliminary objection.

31. Another preliminary objection was raised on the ground that only the NCLT should consider the violation of Section 166 of the CA 2013. This objection is *ex facie* untenable. The power of rectification is vested expressly only on the Registrar of Trade Marks and the High Court under Sections 47 and 57 of the TM Act. Merely because an allegation of breach of Section 166 is made, it cannot be said that this Court cannot consider and adjudicate petitions for rectification. Having rejected these preliminary objections, I proceed with the petition on merits.

32. I first consider the request for rectification on the basis of Section 47 of the TM Act. The petitioner focused on clause (a) of sub-section (1)

thereof, which reads as under:

> ***"47. Removal from register and imposition of limitations on ground of non-use***
> *(1) A registered trade mark may be taken off the register in respect of the goods or services in respect of which it is registered on application made in the prescribed manner to the Registrar or the High Court by any person aggrieved on the ground either -*
>
> *(a) that the* ***trade mark was registered without any bona fide intention on the part of the applicant for registration that it should be used in relation to those goods or services by him*** *or, in a case to which the provisions of section 46 apply, by the company concerned or the registered user, as the case may be,* ***and that there has, in fact, been no bona fide use of the trade mark in relation to those goods or services by any proprietor thereof for the time being up to a date three months before the date of the application"*** (emphasis added)

The language of the above clause reveals that a person who applies for rectification should establish that the registered proprietor did not have the *bona fide* intention to use the relevant trade marks at the time of application for registration and that the said marks were not *bona fide* used in relation to the relevant goods or services up to a date three months before the date of the application for rectification.

33. The applications for registration of the impugned marks were filed in February 2018 on "proposed to be used" basis, and the petitions for rectification were filed before the IPAB in September 2020. Therefore, the relevant period to verify *bona fide* intention and *bona fide* use is the period from February 2018 and up to about June 2020. During this period, the petitioner filed I.A.No.54 of 2018 in C.P.No.54 of 2018 on the basis that the 1st respondent was putting up construction to carry on competing jewellery business under the name C.Krishniah Chetty or its variants and obtained an interim order on 27.04.2018. In these proceedings, by relying on GST filings and financial statements to show that business was not carried on until 2021, the petitioner asserts non-use for purposes of Section 47(1)(a) of the TM Act. The petitioner cannot be permitted to approbate and reprobate on this issue. By taking into account the threshold under Section 47(1)(a) and the evidence on record, I conclude that neither lack of *bona fide* intention nor lack of *bona fide* use was established. I turn next to the challenge under Section 57 of the TM Act.

34. Section 11 of the TM Act sets out relative grounds on which the Registrar of Trade Marks may decline registration if an application relates to a trade mark that is deceptively similar to a mark already on the register in respect of identical or similar goods or services or where the earlier mark is a well-known trade mark irrespective of such similarity of goods or services. The defence of the registered proprietor of the impugned marks in these cases is not that the impugned marks are not deceptively similar. The justification is that the 1st respondent is entitled to adopt and use the impugned marks by virtue of being an entity controlled by the descendants of Cotha Krishniah Chetty. Therefore, the focal point of this adjudication is on the entitlement, if any, of the 1st respondent.

35. Strong reliance was placed by the 1st respondent on the Settlement Agreement. The Settlement Agreement was included in volume-I of the documents filed by the 1st respondent. On examining the document, I find that it has been executed by five groups of parties described as party of the first part to party of the fifth part. The party of the first part is described therein as the CVH group, led by Mr.C.Vinod Hayagriv. The party of the

second part is described therein as the CGN group led by Mr.C.Ganesh Narayan. The party of the third part is the petitioner herein and the party of the fifth part is the 1st respondent herein. The party of the fourth part, C.Krishniah Chetty Jewellers Private Limited (CKC Jewellers) is said to be an entity controlled by the Hayagriv group with about 80% shareholding.

36. Some of the relevant recitals and clauses of the Settlement Agreement are set out below:

> *"1. C.Krishniah Chetty and Sons was established as a family-run retail gem & jewellery business in the year 1869 by Cotha Krishniah Chetty ("Founder") and is now a household name in the retail jewellery trade known for quality and integrity.*
>
> *2. The CVH Group and the CGN Group own 100% of the paid up share capital of CKC and CKC Jewellers and are all descendants of the Founder, or spouses of the descendants of the Founder. The CKC Group is essentially a family run business that operates its stores under the brand name of C.Krishniah Chetty & Sons.*
>
> *3. Significant differences have arisen between the CVH Group and the CGN Group relating to the business*

and operations of the CKC Group (as defined in Recital 7) and the entitlement of the CVH Group and the CGN Group relating to the business and operations of the CKC Group and no compromise or settlement has been reached between the CVH Group and the CGN Group till date.

4. The Parties have therefore agreed to split the business of the CKC Group in the manner provided for in this Family Settlement.

1. <u>Family Split and Demerger</u>: In order to ensure that family differences amongst the CVH Group and the CGN Group does not affect the future of the business and interests of the CKC Group, the Parties have agreed as follows:

(a) CKC shall demerge the business of the store being operated at The Touchstone, Main Guard Cross Road, Bangalore-560001 ("TouchStone") into CKC Jewellers. As consideration for the demerger, CKC Jewellers shall issue equity shares to the shareholders of CKC.

(b) CKC shall demerge the business of the store being operated at The Touchstone-South, 517/41, 46th Cross, 5th Block, Jayanagar, Bangalore-560041

("TouchStone South") into CKC Deepali. As consideration for the demerger, CKC Deepali shall issue equity shares of CKC Deepali to the shareholders of CKC.

The number of shares of CKC Jewellers and CKC Deepali to be issued to the shareholders of CKC shall be set forth in the petition of Demerger. To facilitate the Demerger, CKC shall update the financial statements as of September 30, 2013.

(k) CKC shall assign all Intellectual Property Rights to each of CKC Deepali and CKC Jewellers such that each of them have full rights to use, sub-license, assign and further develop the same. CKC Deepali and CKC Jewellers respectively shall have full ownership over all such developments made by them.

(m) Should the Scheme of Demerger not come into effect for any reason whatsoever by 31 December 2014 or such extended period as may be determined by the Expert which shall not be a date later than 28 February 2015, the Parties shall implement the commercial and economic substance of this Family Settlement by transferring the

two undertakings, viz. TouchStone and TouchStone South, to CKC Jewellers and CKC Deepali respectively by way of a slump sale at book values (as adjusted by the Adjustment Amount) and provide that the sale consideration would be deferred and paid over at a mutually agreed time period and such that the repayments by both CKC Jewellers and CKC Deepali would repay the amounts to CKC over the same period and at the same time (the "Alternate Structure"). It is agreed that the provisions of all steps to be taken pre and post the Demerger, including the closure of HS, shall mutatis mutandis apply to the Alternate Structure. The manner of implementing the Alternate Structure including the time period for payment of amounts to CKC shall be determined by CHV and CGN, failing which by the Expert in consultation with such consultants as the Expert deems appropriate. The implementation of the Alternate Structure (other than the deferred payments to CKC) shall be completed on or before 31 March 2015.

3. (d) Non-Compete: Subject to sub-clause (e) below, there shall be no non-compete obligations of any nature whatsoever on any of the members of the CVH Group and the CGN Group. Each of the members of the

CVH Group and the CGN Group shall be free to carry on any business and in any form whatsoever.

*(g) <u>Marks and Entity Names</u>: CKC shall assign the trademarks "C.Krishniah Chetty & Sons" and "C.Krishniah Chetty" (collectively the "**Assigned Marks**") jointly to CKC jewellers and CKC Deepali as part of the Demerger such that neither of CKC Jewellers and CKC Deepali would be entitled to make use of such marks on an "as is, where is" basis but would be permitted to use only variants of such trademarks. For this purpose a variant means a mark that has the whole or a portion of C.Krishniah Chetty & Sons or C.Krishniah Chetty and has a prefix or suffix attached to the same. Accordingly, CKC Jewellers shall use the two variants, C.Krishniah Chetty Jewellers and Cotha Krishniah Chetty (Collectively the "**CVH Variants**") while CKC Deepali shall use the two variants C Krishniah Chetty & Co and C Krishniah Chetty Corp (collectively the "**CGN Variants**"). CKC shall enter into identical agreements with CKC Jewellers and CKC Deepali, if required, to support CKC Jeweller's application for the trademarks in the CVH Variants and CKC Deepali's application for the trademarks in the CGN Variants. Further, each of CKC*

Deepali and CKC Jewellers shall be free to create further sub-variants of the CVH Variants and the CGN Variants without the requirement of consent or approval of any of CGN Group and CVH Group. Any further variant must have the above CVH Variants and the CGN Variants in full and any prefix or suffix to the same. Each of CKC Deepali and CKC Jewellers shall be free to seek registration of such further variants under the law relating to trademarks. Each Group shall also be free to promote such number of companies and entities as may be deemed appropriate carrying such names.

8. (l) Arbitration: Disputes, if any, that pertain or related to this Family Settlement that cannot be resolved shall be referred to arbitration by a sole arbitrator appointed by the Parties. The seat of arbitration shall be Bangalore. The language of arbitration shall be English. Arbitration shall be conducted in accordance with Arbitration and Conciliation Act, 1996 (or any successor legislation) and the rules made thereunder."

37. On closely examining the Settlement Agreement, it is clear that all parties concerned have signed the same. It is also recorded therein that

necessary corporate actions were taken by the corporate entities before executing the Settlement Agreement. The admitted and undisputed position is that the parties concerned did not implement either a scheme of demerger or slump sale within the time limit specified in that regard in clause 1(m) of the Settlement Agreement or even thereafter. The Settlement Agreement stipulates that the time is of the essence. As is evident from the dispute resolution clause, parties agreed to resolve disputes through arbitration. Except by way of an application for interim relief under Section 9 of the Arbitration Act, it does not appear that the arbitration clause was invoked by issuing a notice under Section 21 thereof. Any definitive interpretation of the terms of the Settlement Agreement should be undertaken by either a duly constituted arbitral tribunal or a civil court. For purposes of adjudicating these petitions, it is unnecessary to interpret whether time is of the essence, as stipulated in the Settlement Agreement, or whether the terms thereof may still be implemented notwithstanding the lapse of such time limit. The material question for purposes of these petitions is whether the 1st respondent is entitled to adopt and use the impugned marks notwithstanding the non-implementation of the Settlement Agreement.

38. While the 1st respondent asserted that the jewellery business was established in the year 1869 by Cotha Krishniah Chetty as a family-run retail gem & jewellery business, the petitioner refuted the assertion insofar as the claim that the business continues to be family-run is concerned. According to the petitioner, the business was run by the descendants of Cotha Krishniah Chetty through a partnership firm. By relying heavily on the deed of dissolution of such partnership firm, the petitioner contended that it acquired the assets and liabilities, including the intellectual property rights of the partnership firm. As a consequence, it is asserted by the petitioner that the 1st respondent is not entitled to adopt or use deceptively similar marks.

39. Neither the petitioner nor the 1st respondent denies that Cotha Krishniah Chetty founded the jewellery business. It is also the admitted position that both the members of the Hayagriv group and the Narayan group are descendants of Cotha Krishniah Chetty. The deed of dissolution dated 28th April 1980 has been placed on record. There are eleven parties

thereto described as parties of the first to eleventh part. The deed of dissolution refers to an instrument of partnership dated 03rd January 1980. The recitals of the deed of dissolution, in relevant part, are set out below:

> *"WHEREAS the Parties of the First to Tenth parts along with the one of Smt. A.S.Sathyavathi in her capacity as the Trustee of Sanmathi Trust were carrying on a business in Partnership under the name and style of M/s.C.Krishniah Chetty & Sons, as evidenced by an instrument of Partnership dated 3-1-1980.*
>
> *AND WHEREAS the parties of the First to the Tenth Parts along with the said Smt.Sathyavathi being desirous of dissolving the said partnership have dissolved the said partnership with effect from 1-4-1980."*

40. The above recitals indicate that the business was carried on by the parties of the first to tenth parts along with Smt. A.S.Sathyavathi under the name and style of M/s. C.Krishniah Chetty & Sons. The recitals further disclose that the instrument of partnership dated 03rd January 1980 evidences the conduct of business by the partnership firm, thereby indicating that the terms of partnership were reduced into writing only on

03rd January 1980 although the business may have been carried on for a longer period. The material clauses of the deed of dissolution are as under:

> *"1. The Firm "C.Krishniah Chetty & Sons" constituted under the Instrument of Partnership dated 3-1-1980 has been dissolved effective from 1-4-1980.*
>
> *2. The terms of this Deed of Dissolution will be operative from 1-4-1980.*
>
> *3. The assets and liabilities of the business including Trade Marks and Patents etc., for the purpose of dissolution have been valued as per details to be found in Annexure 'A' to this Document.*
>
> *4. It is agreed that the party of the Tenth Part namely M/s. C.Krishniah Chetty & Sons Pvt. Ltd., on dissolution will take over the entire business of the Partnership as a going concern with all its assets and liabilities as indicated in Annexure 'A' and is authorised to run the said business."*

As is noticeable, clause 4 provides for C.Krishniah Chetty & Sons Private Limited, the petitioner herein, to take over the entire business of the partnership as a going concern along with the assets and liabilities indicated in Annexure-A. Unfortunately, Annexure-A of the deed of dissolution has not been placed on record by the parties. Therefore, it is not possible to conclude as to which trade marks of the partnership firm, C.Krishniah Chetty & Sons, were taken over by the petitioner.

41. The shareholding pattern of the petitioner has been placed on record and discloses that both the Hayagriv group and the Narayan group hold roughly equal number of shares in the company. As regards the management of the company, it appears that six out of eight directors are from the Hayagriv group and only two directors are from the Narayan group. Thus, at the board level, it appears that the Hayagriv group is in control. Upon being questioned with regard to payment of dividend to shareholders, it is stated that dividends were paid only up to the financial year 2012-2013. It was further stated that salaries to directors were paid up to the financial year 2018-2019 but not thereafter.

42. The documentary evidence placed on record by the parties leads to the conclusion that the jewellery business was founded by Cotha Krishniah Chetty and that such business was operated subsequently by his

descendants through a partnership firm. The petitioner appears to have succeeded to the business of the partnership firm, C.Krishniah Chetty & Sons. The deed of partnership dated 03rd January 1980 (the 1980 Partnership Deed), which is referred to in the deed of dissolution, has also been placed on record. The 1980 Partnership Deed discloses that there were eleven partners, including the petitioner herein. The partnership deed specified that the management of the partnership shall vest with Shri.C.V.Hayagriv and Shri.C.V.Narayan, who were described as managing partners. The relevant clause is as under:

> *"d) The management of the Partnership shall vest with the Party of the First Part and the Party of the Second Part, i.e., Sri C.V.Hayagriv and Sri. C.V.Narayan, who shall devote their whole time, energy and attention in their individual capacity for the day-to-day working of the Firm. The Managing Partners shall be paid remuneration at the rate of Rs.3,000/- each per mensem which shall be deemed to be their remuneration for their skill and services rendered by them to the Firm from time to time in their Individual Capacity and not as part of Divisible Profits of the Firm. The remuneration paid shall be a charge on the Firm."*

43. The 1980 Partnership Deed refers to an earlier instrument of partnership dated 2nd October 1978 for a firm called M/s C.Krishniah Chetty & Sons (the 1978 Partnership Deed). This document reveals that there were 10 partners. It also discloses the principal roles of Mr.C.V.Haygriv and Mr. C.V.Narayan in the firm. Clause (k) is as under:

> *"k) Sri C.V.Hayagriv and Sri C.V.Narayan are authorised to borrow such sum or sums of money jointly as required, for the purpose of carrying on business of the firm under their Joint Signatures"*

The conclusion that follows upon scrutiny of these documents is that the jewellery business of Cotha Krishniah Chetty was continued by his descendants, including members of the Hayagriv and Narayan groups, and that Shri. C.V.Hayagriv and Shri. C.V.Narayan were the central figures managing the business. Such business was intended to be carried on jointly by the Hayagriv and Narayan families through the vehicle of the petitioner company. Once disputes arose between the Hayagriv group and the Narayan group, parties decided to resolve the disputes by effecting a divorce entailing the transfer of the business of the petitioner to entities controlled by the Hayagriv group and Narayan group, respectively. The terms of divorce could not be implemented as envisaged in the Settlement Agreement. The Settlement Agreement was executed on 09th January 2014 and about 11 years have elapsed.

44. The question that arises, therefore, is whether the Narayan group should be restrained from using marks deceptively similar to those used by the petitioner. The petitioner has placed on record details of registrations obtained under multiple classes in relation to its jewellery business. As the prior user and registrant, the petitioner seeks to rectify the register in relation to the eight impugned marks of the 1st respondent. Under Section 35 of the TM Act, a registered proprietor or registered user is not entitled to interfere with the *bona fide* use by a person of his own name or of any predecessor in business. The said provision is as under:

> *"**35. Saving for use of name, address or description of goods or services.**—Nothing in this Act shall entitle the proprietor or a registered user of a registered trade mark to interfere with any bona fide use by a person of his own name or that of his place of*

business, or of the name, or of the name of the place of business, of any of his predecessors in business, or the use by any person of any bona fide description of the character or quality of his goods or services. "

From the facts narrated above, it is clear that C.Krishniah Chetty, including its variants, was the name in which the jewellery business was carried on by the predecessors of the 1st respondent. Even *de hors* the Settlement Agreement, in the absence of any express agreement to the contrary and none has been pointed out by the petitioner, the 1st respondent would be entitled to use the name C.Krishniah Chetty in relation to its jewellery business.

45. Another significant aspect was brought to my notice. The 1st respondent contended that companies controlled by the petitioner were permitted to use the trade mark C.Krishniah Chetty and its variants. The response of the petitioner is that this was pursuant to the Joint Trademarks Proprietorship Agreement, and that both the Hayagriv group and the Narayan group are shareholders in these entities. On examining the Joint Proprietorship Agreement, the parties thereto are the petitioner herein, CKC

Jewellers and C.Krishniah Chetty and Sons Manufacturers Private Limited (CKC Manufacturers). This agreement is subsequent to the Settlement Agreement. The first material aspect is the title, which uses the words "Joint Ownership of Trademarks" and clause 1, and the latter is set out below:

> *"1.Ownership Interests:*
> *The parties to this agreement are the joint and equal Proprietors and Owners of all legal rights in the Schedule A Trademarks."*

Clause 1 above unequivocally records that all three parties are joint and equal proprietors of the trade marks. In these petitions, the constant refrain of the petitioner is that only the petitioner is entitled to use the trade mark C.Krishniah Chetty and its variants because it took over the business of the partnership firm, C.Krishniah Chetty & Sons. If that were the case, no other entity at all or, at a minimum, no other entity incorporated or established after the deed of dissolution dated 28th April 1980 should have the right to use deceptively similar marks. As per the master data from the records of the Ministry of Corporate Affairs, CKC Jewellers was incorporated on 27th March 1991 and CKC Manufacturers on 11th March 2010 (pages 703-704 of petitioner's volume 3). On perusal of Schedule A of the Joint Trademarks

Proprietorship Agreement, it is noticeable that it includes the trade mark C.Krishniah Chetty Group of Jewellers in relation to several classes.

46. After recording in the recitals that all the parties are engaged in the gems and jewellery business, clause 3 of the Joint Trademarks Proprietorship Agreement records as under:

> *" 3. Rights to Use:*
> *Each Party shall have the right to use the Schedule A Trademarks as the proprietor thereof in relation to the goods and services in respect of which they are used and applied for registration. Furthermore, no party shall have the right to use the Schedule A Trademarks except in relation to an article or service with which all the parties are connected in the course of trade.*

If clauses 1 and 3 are considered conjointly, it is evident that as joint owners all three parties to the Joint Trademarks Proprietorship Agreement are entitled to use the trade marks described in Schedule A thereto. This effectively belies the contention of the petitioner that use by other entities is under licence from the petitioner. The other contention of the petitioner that the Narayan group has shareholding in all three parties to this Joint

Trademarks Proprietorship Agreement also does not carry the petitioner far because it is not denied that the Hayagriv group has controlling interest in these entities. In addition, the 1st respondent has placed on record details of registrations obtained or applied for in the names of CKC Jewellers and CKC Manufacturers in relation to trade marks containing the words C.Krishniah Chetty and variants thereof. When all these facts and circumstances are considered holistically, the petitioner is not entitled to seek the expunging of the impugned trade marks under Section 57 of the TM Act. There is, however, the aspect of public interest that warrants consideration in an action for rectification.

47. Deceptively similar entries are not permitted to be made in the Register of Trade Marks not only to protect the proprietary interest of the earlier user and registered proprietor, but also to protect public interest so as to avert the likelihood of confusion or deception among the relevant section of the public, which purchases goods bearing the impugned mark or avails of services provided under the impugned mark. In the case at hand, both the petitioner and the 1st respondent carry on identical jewellery business.

Therefore, it is likely and even probable that consumers would enter shops run by the 1st respondent under the mistaken belief that such shop is being operated by the petitioner if the 1st respondent uses deceptively similar marks. Therefore, from a public interest stand point, differentiation between the 1st respondent's stores and the petitioner's stores may be necessary.

48. The power under Section 57 of the TM Act is wide and - as is evident from the text of sub-section (2) thereof, which uses the phrase "may make such order for the making, expunging or varying the entry as it may deem fit" - embraces expunging/removal, modification, addition, deletion and the like. In the Settlement Agreement, parties had provided for the Hayagriv group to use C.Krishniah Chetty Jewellers and Cotha Krishniah Chetty, which were described as CVH variants therein, and the 1st respondent, CKC Deepali, was permitted to use the variants C.Krishniah Chetty and Co. and C.Krishniah Chetty Corp, which were collectively described as the CGN variants. As recognised earlier, the terms of the Settlement Agreement were not implemented for reasons not fully disclosed or, in any event, germane for the adjudication of these petitions. Therefore,

the specific variants agreed to be adopted and used by the two groups therein are not binding on the parties at this juncture.

49. By taking into account the public interest requirement to differentiate the marks, it would be just and necessary that the word 'Narayan' be added in parenthesis as part of each mark impugned therein. Subject to such addition, in the overall facts and circumstances outlined above, no case is made out to expunge the marks from the register.

50. Therefore, all these petitions are disposed of on the following terms:

(i) The request of the petitioner to expunge the impugned marks is declined. The Registrar of Trademarks is, however, directed to rectify the entry relating to each trade mark in such manner as to include the word 'Narayan' in parenthesis as part of each mark.

(ii) For the above purpose, the 1st respondent is directed to file necessary amendment applications incorporating the word 'Narayan' in parenthesis as mentioned above.

(iii) Upon receipt of such applications, which shall be filed not later than thirty days from the date of receipt of a copy of this order, the amendments shall be made in the Register of Trade Marks within thirty (30) days from the receipt thereof. If such applications are not received within the specified time, the Registrar of Trade Marks shall proceed to comply with the above direction.

(iv). Consequently, connected miscellaneous petition stands closed.

(v) There shall be no order as to costs.

18.06.2025

Index : Yes / No
Internet : Yes / No
Neutral Citation: Yes / No

kj

To

The Registrar of Trade Marks,
IP Building,
Chennai 600 032.

SENTHILKUMAR RAMAMOORTHY,J
kj

Pre-delivery order in

(T)OP(TM)Nos.376 to 383 of 2023
& (TM)A.No.15 of 2025
(ORA/89 to 96/2020/TM/CHN

18.06.2025