

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Reserved on : 22.09.2025

Pronounced on : 10.10.2025

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THE HONOURABLE DR. JUSTICE G.JAYACHANDRAN
and

THE HONOURABLE MR. JUSTICE MUMMINENI SUDHEER KUMAR

Appeal (CAD) No.21 of 2023

M.Ramesh

... Appellant(s)

Vs.

1. V.Balu

2. B.Athmavallinathan

3. V.Chandra Ammal

... Respondents 1 to 3/ Petitioners/ Defendants 1 to 3

4. S.Srinivasan

5. S.S.Vigneshram

... Respondents 4 & 5/ Petitioners 1 & 3/ Plaintiffs 1 & 3

6. B.Latha

7. Balu Aaditya

8. N.Vaishnavi

9. Aum Valli Vilas Jewellers Private Limited,
Represented by its Director,
No.47, Kuthisi Gurusamy Street,
Imperial Road, Thirupathiri Puliur,
Cuddalore – 607 002.

... Respondents 6 to 9/ Respondents 4 to 7/ Defendants 4 to 7



Prayer: This Appeal is filed under Section 96 of C.P.C r/w Section 13 of the Commercial Courts Act, 2015, to set aside the order and decreetal order passed by the learned Principal District Judge, Cuddalore, in I.A.No.214 of 2023 in Commercial O.S.No.1 of 2023 dated 31.07.2023, and restore the suit in O.S.No.1 of 2023, and pass necessary consequential orders as this Hon'ble Court deems fit and proper.

For Appellant(s) : Mr.P.S.Raman, Senior Counsel
for Mr.S.Diwakar

For R1 to R3 : Mr.C.B.Vishnudasan

For R4 & R5 : Mr.R.Sathishkumar

For R6 to R9 : Mr.C.Suraj
for Mr.A.Ashwinkumar

J U D G M E N T

(Judgment of the Court was made by **MUMMINENI SUDHEER KUMAR, J.**)

The instant appeal has been filed under Section 96 of the Code of Civil Procedure read with Section 13 of the Commercial Courts Act, 2015, aggrieved by the order and decreetal order in I.A.No.214 of 2023 in Commercial O.S.No.1 of 2023, dated 31.07.2023, on the file of the court of Principal District Judge, Cuddalore. The said I.A.No.214 of 2023 was filed by the defendants 1 to 3 in the suit under Order VII Rule 11 (a), (c) and (d) read



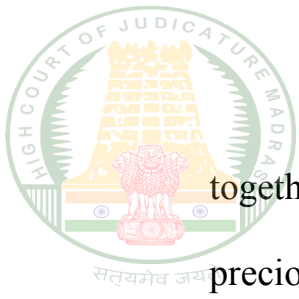
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with Section 151 of the Code of Civil Procedure to reject the plaint in Commercial O.S.No.1 of 2023 on various grounds. The said application was considered by the learned Principal District Judge, Cuddalore (hereinafter referred to as 'the Commercial Court') and allowed the same on the sole ground that there was an Arbitration Agreement between the parties and therefore, the plaintiffs, who are parties to the Arbitration Agreement cannot maintain the suit in Commercial O.S.No.1 of 2023.

2. For better appreciation, it is necessary to state a few facts that are relevant for the disposal of this appeal.

2.1. The parties herein are referred to as per their status in the commercial suit for the sake of convenience.

2.2. The plaintiffs 1 to 3 and the defendants 1 to 3 jointly constituted a partnership firm in the name of “Sri Valli Vilas M.V.Pavadai Chettiar Sons” and they have been carrying on business by virtue of the Partnership Deed dated 01.04.2012. The said partnership firm is engaged in the business of manufacture, purchase and sale of bullion, gold jewels, diamond jewels, silver jewels and articles. The partners of the said partnership firm applied for registration of trademark “Sri Valli Vilas” as their trade name and got registration certificate under the provisions of the Trade Marks Act, 1999,



together with label marks under classes 14 and 35 in respect of jewellery, precious stones and showrooms.

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2.3. While so, when the defendants 4 to 6 incorporated a company in the name and style of the seventh defendant, namely, “Aum Valli Vilas Jewellery Private Limited”, and contemplated to commence business in the name of “Aum Valli Vilas”, the plaintiffs filed a commercial suit seeking permanent injunction restraining the defendants and their agents etc., from manufacturing, selling, advertising and offering for sale using the same or similar trademark “Aum Valli Vilas” or any other similar trademark etc., in respect of manufacturing and marketing of Gold, Silver ornaments and Jewellery Articles in any way visually or deceptively or phonetically similar to plaintiff's registered trademark “Sri Valli Vilas” in any manner. The plaintiffs also sought for permanent injunction to restrain the defendants from passing off action also while seeking certain other reliefs.

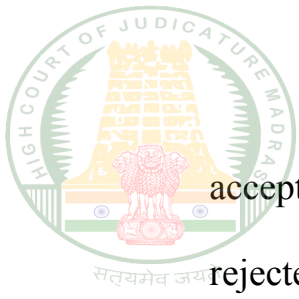
2.4. It is the case of the plaintiffs that the defendants 1 to 3, who are the co-partners of the plaintiffs in the partnership firm namely, “Sri Valli Vilas M.V.Pavadai Chettiar & Sons” are in collusion with the defendants 4 to 6, who are close relatives of defendants 1 to 3 and got incorporated the seventh



defendant company and thereby violating the registered trademark “Sri Valli Vilas” and filed the commercial suit in question.

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2.5. In the said commercial suit, the defendants 1 to 3 filed an application vide I.A.No.214 of 2023 under Order VII Rule 11 (a), (c) and (d) read with Section 151 of the Code of Civil Procedure to reject the plaint on various grounds, including on the ground that there is an Arbitration Agreement under Clause 15 of the Partnership Deed dated 01.04.2012 and therefore, the commercial suit is not maintainable. Besides the said ground, the defendants 1 to 3 also raised a ground on the jurisdiction of the commercial court to entertain the suit, as the suit was valued less than Rs.3,00,000/- and contended that the commercial court shall have no jurisdiction to entertain the said suit in terms of Section 6 read with Section 12(1)(d) of the Commercial Courts Act, 2015. The said objection on the ground of jurisdiction of the commercial court was rejected by the commercial court on the ground that the action complained of is in connection with the trademark under the Trade Marks Act, 1999, and therefore, the commercial court, also being the Principal District Court, has jurisdiction to entertain the said suit. However, the ground raised on the basis of an Arbitration Agreement contained in Clause 15 of the Partnership Deed was



accepted and I.A.No.214 of 2023 was allowed and ordered the plaint to be rejected.

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2.6. It is aggrieved by the said order dated 30.07.2023, the second plaintiff alone filed the present appeal while arraying the plaintiffs 1 and 3 as respondents 4 and 5 in the present appeal. The respondents 4 and 5 herein sailed with the plaintiffs.

3. Heard Mr.P.S.Raman, learned Senior Counsel for Mr.S.Diwakar, learned counsel appearing for the appellant, Mr.C.B.Vishnudasana, learned counsel appearing for the respondents 1 to 3, Mr.R.Sathishkumar, learned counsel appearing for the respondents 4 and 5 and Mr.C.Suraj for Mr.A.Ashwin kumar, learned counsel appearing for the respondents 6 to 9.

4. As already noted above, the commercial court allowed I.A.No.214 of 2023 only on the ground that there is an Arbitration Agreement under Clause 15 of the Partnership Deed dated 01.04.2012 and therefore, the suit filed by the plaintiffs for adjudication of the dispute before a civil court is not maintainable. Insofar as the ground raised on the ground of jurisdiction of the commercial court is concerned, no appeal has been filed and the findings



recorded by the commercial court in that regard in the order under appeal has attained finality.

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5. The law in the matter of exercising power of the civil court under Order VII Rule 11 is well settled. It is only the plaint and the documents that are filed in support of the plaint alone will be looked into to see whether the same would fall within the mischief of Order VII Rule 11, enabling the civil court to reject the plaint.

6. From the perusal of the plaint, the case as pleaded by the plaintiffs is evident that the defendants 4 to 6 incorporated the seventh defendant company under the name of “Aum Valli Vilas”, thereby violating the registered trademark of the plaintiffs in collusion with the defendants 1 to 3. It is also specifically averred that the defendants 4 to 6 are all close family members of the defendants 1 to 3 and the relationship of the defendants 4 to 6 with the defendants 1 to 3 is also specifically averred in the plaint. Thus, from the overall reading of the plaint, it is evident that the relief that is sought by the plaintiffs is mainly against the respondents 4 to 7. Further, it is also evident from the plaint that the plaintiffs have specifically averred that they have no objection to array the defendants 1 to 3 as plaintiffs in the suit as they



are also equally bound to protect and safeguard the registered trademark “Sri Valli Vilas”.

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7. Thus, the dispute in the commercial suit in question is mainly between the plaintiffs and defendants 4 to 7. The Arbitration Agreement contained in Clause 15 of the Partnership Deed dated 01.04.2012 is only between the plaintiffs and defendants 1 to 3. The scope of Clause 15 is limited to the disputes or differences between the partners arising in regard to the construction or terms of the Partnership Deed or in respect of the accounts or of the rights and liabilities of the partners under the said Deed or any other matter relating to the partnership. For the sake of convenience, the said Clause 15 of the Partnership Deed, dated 01.04.2012 is extracted herein:-

“15. Arbitration:-

*Any dispute or difference between the partners arising in regard to the construction or terms of this deed or nay party there of or in respect of the accoutns or of the rights and liabilities of the partners under this deed or any other matter relating to the partnership, shall be referred to arbitration, each party appointing one arbitrator or the partners mutually agreeing upon to a single arbitrator and the provisions of the **Indian Arbitration Act, 1940** and any statutory modification thereof shall apply.”*

8. Thus, it evident that the above arbitration clause is only in respect of the dispute or differences between the partners of the said Partnership Deed or



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in connection with the said Partnership Deed between the partners of the said partnership. The said arbitration clause does not bind the defendants 4 to 7 in any manner. The dispute in question raised by the plaintiffs in the commercial suit in question cannot be said to be a dispute or difference that would fall within the scope and ambit of the above arbitration clause. Even assuming that the same would fall within the scope and ambit of the above arbitration clause, the defendants 4 to 7, not being parties to the said Arbitration Agreement, cannot be proceeded against under the said clause. But, unfortunately, the commercial court failed to take note of the above crucial aspects and erroneously came to the conclusion that the commercial suit in question is not maintainable, as the remedy under Clause 15 of the Partnership Deed dated 01.04.2012 is available to the plaintiffs. Thus, the order and decree under appeal made in I.A.No.214 of 2023 in Commercial O.S.No.1 of 2023 dated 31.07.2023 cannot be sustained and the same is accordingly set aside.

9. Then, coming to the contentions raised by the learned counsel appearing for the respondents 6 to 9, contending that the Commercial O.S.No.1 of 2023 cannot be adjudicated as a commercial suit under the provisions of the Commercial Courts Act, 2015, in view of the valuation of



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the said suit as mentioned in the plaint i.e., less than Rs.3,00,000/- in the light of Section 6 read with Section 12(1)(d) of the Commercial Courts Act, 2015, is concerned, we are not inclined to express any opinion. As already noted above, there is no appeal against the findings recorded by the commercial court in that regard. However, we deem it appropriate to observe that it is open for the parties to raise any such grounds before the commercial court, as the same is a matter pertaining to the very jurisdiction of the commercial court under the provisions of the Commercial Courts Act, 2015, and the commercial court would be under obligation to examine the said aspect notwithstanding the findings recorded in the order under appeal. As the suit that was filed in the year 2023 is still at the threshold stage and about two years have elapsed without any further proceedings, the commercial court is directed to dispose of the suit, as expeditiously as possible.

10. Accordingly, the appeal is allowed. No costs.

(Dr.G.J.,J.) (M.S.K.,J.)
10.10.2025

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Index : Yes / No
Speaking order / Non-speaking order



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Neutral Citation : Yes / No

Appeal (CAD) No.21 of



Dr.G.JAYACHANDRAN, J.
and
MUMMINENI SUDHEER KUMAR, J.
skr

Pre-Delivery Order made in
Appeal (CAD) No.21 of 2023

10.10.2025