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

% *Date of Decision: 23.09. 2022*

+ RFA(OS)(COMM) 3/2020 & CM APPL. 2244/2020

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

Versus

KYK CORPORATION LTD & ORS Respondents
Through: Mr. Aayushmaan Gauba & Ms.
Gunjan Chhabra, Adv. for R-1.

CORAM:
HON'BLE MR. JUSTICE VIBHU BAKHRU
HON'BLE MR. JUSTICE AMIT MAHAJAN

VIBHU BAKHRU, J. (ORAL)

1. The appellants have filed the present intra-court appeal under Section 13 of the Commercial Courts Act, 2015 impugning a judgment dated 06.11.2019 (hereafter the '**impugned judgement**') passed by the learned Single Judge. By the impugned judgment, the learned Single Judge had dismissed the suit filed by the appellants/plaintiffs [being CS(COMM) 152/2018] and partly allowed the Counter Claim (being Counter Claim No.77/2009) instituted by respondent no.1 (hereafter '**KYK Corporation**') and granted the decree of permanent injunction, as sought for, in terms of the prayer clause nos. (i) to (iii).

2. The learned Single Judge had passed the impugned judgment primarily on the basis of an order dated 10.02.2012, passed by the Intellectual Property Appellate Board (hereafter '**the IPAB**') allowing KYK Corporation's application for cancelling the registrations of the trademark "KYK" (hereafter '**the Trademark**'), in favour of the appellants/plaintiffs. The Trademark is a word mark. The impugned judgment also notes that the appellants had preferred a writ petition impugning the order dated 10.02.2012, passed by the IPAB. However, the said petition [being W.P.(C) 2496/2012] was also dismissed by a judgment dated 03.11.2017.

3. The IPAB had allowed KYK Corporation's application for rectification of the Register by removal of the registrations of the Trademark granted in the appellants' favour. However, the appellants contend that the same did not establish that they had passed off their goods as that of KYK Corporation. KYK Corporation was required to establish that it is the prior user of the Trademark in question and merely because the IPAB had cancelled the registration in favour of the appellants, it did not entitle KYK Corporation to a decree of permanent injunction restraining the appellants from passing off or using the Trademark. The learned counsel for the appellants also contends that the learned Single Judge had not returned findings on the issues as framed and the same is contrary to the provisions of Order XX Rule 5 of the Code of Civil Procedure, 1908 (hereafter '**the CPC**').

Factual Context

4. The appellants state that they are engaged in the business of marketing and selling of automobile parts and fittings including bearings, filters, gear and gear parts, v-belts, fan belts and machinery parts used in motor land vehicles. Appellant no.1 claims that he adopted the Trademark in the year 1996 for automobile parts and fittings. However, the use was extended to cover bearings, filters, gear and gear parts, v-belts, fan belts and machinery parts used in motor land vehicles, as well.

5. On 21.08.2000, the appellants applied for the registration of the Trademark under Class 12 (trademark application no. 949032) claiming use since 10.10.1996. Thereafter, the appellants filed another application for registration of the Trademark under Class 7 (trademark application no. 1291522) on 21.06.2004. The registration certificates were issued on 03.01.2005 and 19.12.2005 under Classes 12 and 7 respectively.

6. KYK Corporation is a company incorporated under the laws of Japan and engaged in the business of manufacturing, marketing, selling and exporting *inter alia* all types of bearings, including part of land vehicles, bearing (axle) for vehicle wheels, and bearings (carrying for wheels) since the year 1952. It claims that the Trademark is its house mark and forms a prominent part of its corporate name. KYK Corporation claims that it is a prior user and proprietor of the Trademark internationally in more than fifty countries.

7. The appellants claim that in the month of October, 2008, they discovered that KYK Corporation had adopted the Trademark under Classes 7 and 12 and was carrying on trade and business bearing the Trademark.

8. Thereafter, on 22.04.2009, the appellants filed a suit before this Court [being CS (OS) 1305/2009 subsequently re-numbered as CS(COMM) 152/2018], *inter alia*, seeking a decree of permanent injunction restraining infringement, passing off, rendition of account, against KYK Corporation. By an order dated 22.07.2009, the learned Single Judge restrained KYK Corporation from using the Trademark and trade name “KYK Corporation Ltd.” or any other identical or deceptively similar trademarks.

9. On 10.09.2009, KYK Corporation filed a written statement and a counter-claim. Additionally, KYK Corporation also filed an application under Order XXXIX Rules 1 and 2 of the CPC, seeking an *ad-interim* injunction.

10. Thereafter, by an order dated 01.07.2010, the learned Single Judge modified the order dated 22.07.2009, whereby the appellants were allowed to use the trademark “KYK (India)” and KYK Corporation was allowed to use the trademark “KYK (Japan)” until the suit was disposed. Additionally, the appellants and KYK Corporation were directed to include ‘India’ and ‘Japan’ in their trade names respectively.

11. On 25.03.2011, the Court framed the following issues:

“(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 its 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 complaint? 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.”

12. On 10.02.2012, the IPAB allowed KYK Corporation’s application for revocation of the registrations of the Trademark in

favour of the appellants. The IPAB held that the appellants have not provided sufficient evidence for proving use of the Trademark prior to 2005.

13. The appellants filed a writ petition [being WP(C) 2496/2012] in this Court, impugning the order dated 10.02.2012, passed by the IPAB. By an order dated 03.11.2017, this Court rejected the Writ Petition as it found no fault with the finding of the IPAB that there was no evidence of the appellants' use of the Trademark, prior to 2005.

14. On 28.07.2017, KYK Corporation filed two applications; one under Order VIII Rule 1A of the CPC and the other under Order XVIII Rule 17 of the CPC. The learned Single Judge dismissed both the aforementioned applications on 12.10.2017.

15. KYK Corporation filed an appeal against the order dated 12.10.2017. On 29.11.2017, the Division Bench of this Court allowed KYK Corporation's appeal and permitted leading of evidence in the matter. A Court Commissioner was appointed for recording of evidence and the parties were directed to appear before the Court Commissioner on 16.12.2017 for proceedings in this regard.

16. The evidence was recorded during the period 22.01.2018 to 02.08.2018. Thereafter, the Court Commissioner placed the matter before the learned Single Judge for further directions. The learned Single Judge, heard oral submissions on 06.11.2019 and disposed of the suit/counter claim.

17. The learned Single Judge dismissed the commercial suit filed by the appellants and allowed KYK Corporation's counter-claim for perpetual injunction, restraining the appellants and their affiliates from manufacturing, getting manufactured, marketing, selling, offering for sale, stocking, advertising, exhibiting or otherwise dealing in bearings, parts of land vehicles or any other cognate or allied goods under the Trademark "KYK" or any other deceptively similar trademark. Furthermore, the appellants were restrained from passing-off their goods (bearing, parts of land vehicles and/or any other cognate and allied goods) and from infringing the copyrights of KYK Corporation in the carton/packaging of its products, by using an identical/deceptively similar product packaging with get-up, features and writing style similar to that as used by KYK Corporation or any other colourable imitation thereof.

The Impugned Judgment

18. The learned Single Judge examined the order dated 10.02.2012 passed by the IPAB and noted the findings recorded in the said order. The IPAB had, *inter alia*, held that the appellants had failed to establish the use of the Trademark since the year 1996 and 2000 as claimed by them in respect of goods falling under Classes 12 and 7 respectively. The IPAB also found that certain invoices relied upon by the appellants did not establish use of the Trademark as claimed because the said invoices were issued by another entity and not the entity through which the appellants were claiming rights in respect of the Trademark.

19. The learned Single Judge held that the findings were conclusive inter parties and, therefore, the appellants were precluded from claiming to the contrary. The learned Single Judge held that in view of the findings of the IPAB that the appellants had failed to establish any use prior to the year 2005, they could not succeed in their claim for infringement or passing off against KYK Corporation. The Court also independently examined whether the evidence led by the appellants established use of the Trademark since the year 1996 and found in the negative. The learned Single Judge also noted the finding of the IPAB that KYK Corporation had established trans-border reputation and observed that the same was upheld by this Court by an order dated 03.11.2017, passed in WP(C) 2496 of 2012.

20. The learned Single Judge concluded that in view of the findings of the IPAB, the appellants were not entitled to any relief as claimed in the suit. Axiomatically, the counter claim preferred by KYK Corporation was liable to succeed insofar as the relief of injunction is concerned. The other reliefs claimed by KYK Corporation were rejected.

Reasons and Conclusion

21. The controversy in the present case is narrow. The registration of the Trademark in favour of the appellants was cancelled in terms of the order dated 10.02.2012, passed by the IPAB. The only question is whether the findings of the IPAB, as upheld by this Court, are sufficient to grant a decree of permanent injunction, as sought for, in favour of KYK Corporation. A plain reading of the order dated

10.02.2012, passed by the IPAB, indicates that the IPAB had examined the material placed by the appellants in support of their claim of use of the Trademark under Classes 7 and 12 from the year 1996 and 2000 respectively. The IPAB found that the appellants had failed to establish the same. The operative part of the IPAB's order reads as under:

“27. The other issue is regarding the user claimed by the respondents in their application for registration. The respondents claim user since 1996 and 2000 in their application. There is no evidence prior to 2005. It is also the case of the respondent that the manufacturing of bearings were carried out through one M/s. Techno Mark Grindwell Industries. The 1st invoice is dated 2005 by M/s. Techno Mark Grindwell Industries. The respondents have not proved their user as claimed.

28. The respondents have claimed user since 10.10.1996 for Class 12 goods and 10.04.2000 for Class 7 goods. The respondent's contention is that they had been dealing through one M/s. Techno Mark Grindwell Industries. It is not clear as to how long they were carrying on business through M/s. Techno Mark Grindwell Industries. As stated earlier 1st invoice is of the year 2005. In the absence of any documents either from 1996 or at least from 2000 the claim of user before the Registrar is wrong statement for which reason the mark cannot be allowed to continue on the Register.”

22. Before the IPAB, the appellants had relied upon a document showing use of the Trademark by one M/s V.K. Automobiles. However, they had failed to establish that M/s V.K. Automobiles was

a proprietor of the Trademark at any stage. The contention that M/s V.K. Automobiles was the assignee of the Trademark was also disbelieved by the IPAB. The IPAB's judgment also contains observations regarding trans-border reputation of KYK Corporation's mark.

23. The writ petition preferred by the appellant [being ***W.P.(C)2496/2012*** captioned ***Vivek Kochher and Anr. v. M/s. KYK Corporation Ltd. and Anr.***] was rejected by a learned Single Judge of this Court as the Court found no infirmity with the findings of the IPAB that the appellants had failed to establish the use of the Trademark, as claimed in their application. Thus, the decision of IPAB to rectify the trademarks register and cancel the registration of the Trademark in favour of the appellants, was upheld. During the course of the said proceedings, the appellants had contended that KYK Corporation had failed to establish a trans-border reputation. *Prima facie*, the Court found the said contention to be unpersuasive but declined to examine the question in any detail. This was because the IPAB's order, which was impugned in the said petition, rested on the finding that the appellants had failed to establish the facts on the basis of which the registration of the Trademark was granted in their favour. Thus, the IPAB's order for rectification of the Trademark could not be faulted. The relevant extract from the judgment dated 03.11.2017 passed by the Court in ***W.P.(C)2496/2012*** is reproduced below:

“20. The contention that KYK Corp has been unable to establish a trans-border reputation is also unpersuasive. KYK Corp had produced evidence to show that its

goods were being sold in India. It 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. However, it is not necessary to examine this issue as the conclusion of IPAB that the petitioners were unable to establish the use of the mark as claimed in their application, warranting a rectification of the registered trademark cannot be faulted.”

24. The suit filed by the appellants was premised on the basis that they were registered proprietors of the Trademark under Classes 7 and 12. In view of the IPAB rectifying the Register and cancelling the registration in their favour, the fundamental premise on which the appellant’s suit was founded ceased to hold good. The appellants were no longer registered proprietors of the Trademark, as claimed by them. Further, they also failed to establish that they were prior users of the Trademark. Thus, the impugned judgement dismissing the appellants’ suit for infringement of the Trademark cannot be faulted.

25. In so far as KYK Corporation’s counter-claim is concerned, this Court finds it difficult to accept that axiomatically, KYK Corporation’s counter-claim was required to be allowed.

26. KYK Corporation’s counter-claim was premised, essentially, on five assertions. First, that it was a prior adopter, true owner, lawful proprietor and prior user of the Trademark in relation to the goods in question. Second, that it was also the owner of the copyright in the carton tilted “KYK” and the get-up, writing style and related trade dress. Third, that the appellants had adopted the Trademark, which is identical to KYK Corporation’s well-known trademark. Fourth, that

the purchasers of the goods such as bearings and parts of the vehicles are in a class of unwary purchasers, who recognise the goods of KYK Corporation by its trademark, KYK, and are likely to be confused by the deceptive similarity with the Trademark used by the appellants. And fifth, that the use of the Trademark by the appellants for spurious and inferior quality of goods had tarnished and blurred the reputation of KYK Corporation's trademark.

27. On the basis of the averments to the aforesaid effect as made in the counter-claim, KYK Corporation had sought a decree of perpetual injunction restraining the appellants from, *inter alia*, dealing with or manufacturing of bearings or part of the land vehicles or any of the allied goods under the Trademark/tradename "KYK" or any other deceptively similar trademark. It had sought a decree of permanent injunction restraining the appellants from passing off their goods by using the Trademark/tradename "KYK"; and restraining the appellants from infringing the copyright in respect of the said trademark.

28. The relief of perpetual injunction for infringement of the Trademark; passing off; and infringement of copyright has been decreed in favour of KYK Corporation and against the appellant. Indisputably, the claims made by KYK Corporation were required to be established independently. The IPAB's finding that the appellants had failed to establish the user of the marks "KYK" in Classes 7 and 12 from the years 1996 and 2000 – which was sufficient to allow KYK Corporation's application for rectification of the Register – is

insufficient for allowing KYK Corporation's claim for passing off or for infringement of the Trademark.

29. It is material to note that KYK Corporation is not a registered proprietor of the Trademark in India. It has applied for registration of the said mark; however, the said application has not been allowed as yet. Thus, KYK Corporation had to establish that it was a prior user of the Trademark and the appellants were passing off their goods.

30. On a pointed query of this Court, the learned counsel appearing for KYK Corporation fairly conceded that the learned Single Judge has not examined KYK Corporation's claim for passing off or returned any finding in respect of the issue of passing off.

31. In view of the above, the impugned judgment, to the extent that it allows reliefs of perpetual injunction as claimed by KYK Corporation in prayer clause nos. (i) to (iii) of the counter-claim, cannot be sustained.

32. The contention that in terms of Order XX Rule 5 of the CPC, the court is required to state its findings on each of the issues as framed, is merited. However, Order XX Rule 5 of the CPC also makes it clear that it is not necessary for the court to state its findings on each of the issues if the finding upon any one or more of the issues is sufficient for the decision of the suit.

33. In the present case, the Court had found that the findings of the IPAB in its order dated 10.02.2012 were dispositive of the controversy in the suit and the counter-claim. Thus, it was not necessary for the learned Single Judge to record a separate finding in respect of each of

the issues. However, as observed above, the findings of the IPAB are not dispositive of the claim for perpetual injunction as sought by KYK Corporation by way of the counter-claim and thus, this Court considers it apposite to remand the matter to the learned Single Judge for consideration of the said reliefs, afresh.

34. In view of the above, the decrees of perpetual injunction granted against the appellants are set aside. The matter is remanded to the learned Single Judge to consider KYK Corporation's claim for passing off and prayers for perpetual injunction on the basis of the evidence available on record.

35. The appeal is disposed of in the aforesaid terms. The pending application is also disposed of.

VIBHU BAKHRU, J

AMIT MAHAJAN, J

SEPTEMBER 23, 2022

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[Click here to check corrigendum, if any](#)