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**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION**

**NOTICE OF MOTION NO. 513 OF 2015
IN
SUIT NO. 674 OF 2014
WITH
LEAVE PETITION NO.286 OF 2013
IN
SUIT NO. 674 OF 2013**

Dongguan TR Bearing Co.Ltd. & Anr. ...Applicants/Plaintiffs
VS
M/s Harman Overseas & Ors. ...Defendants

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Dr V.V.Tulzapurkar Sr. Advocate a/w K.G.Munshi, Amit Jamsandekar & Alka
Parelkar i/b V.A.Associates for the Plaintiffs.
Mr Himanshu Kane a/w Hiren Kamod, Aditi Kulkarni i/b W.S.Kane & Co. for the
Defendants

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CORAM : S.C. GUPTE, J.

APRIL 27, 2015

P.C. :

This Petition is for leave under Clause 14 of the Letters Patent for combining the cause of action of passing off with the cause of action of infringement of a registered trade mark. By a separate order I have granted leave for reasons recorded separately. Here are the reasons.

2 Plaintiff No.1 claims to be the registered proprietor of the device mark **TR** in respect of goods specified in Class 7 of schedule IV to the Trademark Rules, 2002. Plaintiff No.1 has been using this trademark extensively since the year 1980 in India in respect of its products. Plaintiff No.2 is the sole distributor of Plaintiff No.1 for the goods bearing the mark **TR** in India. Plaintiff No.2, as such sole distributor, is authorized by Plaintiff No.1 to use the trademark **TR** in India.

3 It is the case of the Plaintiffs that in or about January 2013, they came to know about the Defendants having commenced manufacturing, marketing, selling or distributing comparable goods under the mark/ label **TR**, which is identical with or deceptively similar to the registered trademark of the Plaintiffs. It is the case of the Plaintiffs that adoption and use of the mark/ label **TR** by the Defendants are dishonest. It is submitted that such user constitutes not only an infringement of the Plaintiffs' registered trade mark, but amounts to passing off of the Defendants' goods as those of the Plaintiffs.

4 The Plaintiffs submit that Plaintiff No.1, though based in China, carries on business in Mumbai through its exclusive distributor, Plaintiff No.2, who has its address within the jurisdiction of this Court, and whom the former has authorized to use its registered trademark. The Plaintiffs have, accordingly, filed the present suit by way of an infringement action in respect of the Plaintiffs' registered trademark. The Plaintiffs also propose a passing off action seeking leave of this Court.

5 It is the Plaintiffs' case in the Leave Petition that though the Defendant carries on business and sells the offending goods outside the jurisdiction of this Court, the evidence relating to the cause of action of passing off would be common to the cause of action relating to infringement on which the present suit is founded. The Plaintiffs, in the premises, pray for leave of this Court under Clause 14 of the Letters Patent to permit the Plaintiffs to combine the cause of action of passing off with the cause of action of infringement.

6 The Petition is opposed by the Defendants on the ground that this Court has no jurisdiction to entertain the infringement action at the instance of the Plaintiffs. It is submitted that the registered trademark is owned by Plaintiff No.1, who carries on business outside the jurisdiction of this Court. It is submitted that the Plaintiffs have failed to prove any nexus between Plaintiff No.1 and Plaintiff No.2, much less the alleged authorization by Plaintiff No.1 to Plaintiff No.2 for use of the former's registered trademark. It is submitted that, in any event, the

alleged distributorship of Plaintiff No.2 of the goods marketed by Plaintiff No.1 under the registered trademark is not sufficient for the Plaintiffs to invoke the jurisdiction of this Court under Section 134 of the Trade Marks Act, 1999 ("the Act"). It is submitted that the registered proprietor of the trade mark does not have an office within the jurisdiction of this Court and merely on the basis of the distributor of the goods bearing the subject trademark having its office within the jurisdiction of this Court, this Court cannot be said to have jurisdiction to entertain the infringement action filed by the registered proprietor, even if such action be filed by joining the distributor. It is submitted that since this Court does not have jurisdiction to entertain the infringement action under Section 134 of the Act, this Court cannot grant leave under clause 14 to combine the cause of action of passing off with that of infringement. It is submitted by learned Counsel for the Defendants that at any rate, since the jurisdiction of this Court under Section 134 of the Act to entertain the infringement action has been objected to by the Defendants and, accordingly, a preliminary issue of jurisdiction has been framed by this Court, this Court ought not to consider grant of leave without deciding the preliminary issue. It is submitted that the preliminary issue was framed when both Notice of Motion of the Plaintiffs for grant of interim relief along with the present Leave Petition and the Notice of Motion of the Defendant for framing of preliminary issue were on board and that the Plaintiffs have, accordingly, implicitly accepted the position that the Leave Petition can only be heard after the preliminary issue is decided.

7 The argument concerning the implicit acceptance of the Plaintiffs, the preliminary issue having been framed when the Motion of the respective parties together with the Leave Petition were on the board, may be disposed of at the outset. Framing of a preliminary issue is a precursor to considering grant, or vacating, of interim relief in the suit. It is never a pre-condition for grant of leave under Clause 14. By suffering and accepting the order framing such preliminary issue, the Plaintiffs can be said to have accepted the position that interlocutory relief operating during the pendency of the suit cannot be granted except after determining the preliminary issue and not the position that the Leave Petition cannot be decided pending determination of the preliminary issue. No such

implicit acceptance is reflected in the order and neither can one be deduced therefrom.

8 Clause XIV of the Letters Patent is in the following terms:

“And We do further ordain that where plaintiff has several causes of action against a defendant, such causes of action not being for land or other immovable property, and the said High Court shall have original jurisdiction in respect of one of such causes of action, it shall be lawful for the said High Court to call on the defendant to show cause why the several causes of action should not be joined together in one suit, and to make such order or trial of the same as to the said High Court shall seem fit.”

The rationale of the clause is that when one of the several causes of action against a defendant is within the jurisdiction of the Court, the Court should rather allow the plaintiff to join the other causes of action with the first mentioned cause of action even if such other causes of action themselves have arisen outside its jurisdiction, so as to avoid multiplicity of proceedings, unless the defendant shows a good cause against such joinder. No doubt the provision implies that jurisdiction over the first mentioned cause of action is a condition which must be satisfied before such leave can be granted. But that is only a matter of initial jurisdiction. It is not implied that the Court determines the question of jurisdiction finally as a matter of trial before such leave is granted. By the very nature of things, the jurisdiction to be determined for the purposes of the leave is the initial jurisdiction to entertain the first mentioned cause of action and such determination can only be made on the basis of averments in the plaint. The defendant may in a given case contest such jurisdiction whilst opposing grant of leave, but that can only be on the footing that assuming the averments in the plaint to be true, the Court lacks jurisdiction. In other words, a plea of want of jurisdiction can only be considered on a demurrer at the stage of leave.

9 This Court has in the case of **Ultratech Cement Ltd Vs Dalmia Cement Bharat Ltd.**¹ held as follows;

1 Leave Petition No.320 of 2013 in Suit No.42 of 2014 decided on 29 January 2015

“5.At the threshold, in a case under Order 7 Rule 11 or at the stage of a leave petition, the court usually proceeds on the footing that the averments made in the plaint are correct. At that stage the Defendant is permitted to challenge the jurisdiction, but on the footing of such averments being true.”

10 This being the position, there is no substance in the submission that leave should not be considered without determining the preliminary issue framed in the matter. It is submitted by learned Counsel for the Defendants that grant of leave may result in an anomalous situation inasmuch as if after grant of leave the Court were to determine the preliminary issue against the Plaintiffs, the Plaintiffs would have proceeded with the trial of the suit and even obtained interim relief on the basis of such leave. This indeed would be the consequence, but there is nothing particularly outrageous about this consequence. In every case, where the Court assumes initial jurisdiction, the Court commences a trial and even grants interim relief. Such interim relief is vacated, if and when the Court comes to the conclusion that the Court lacks jurisdiction upon trial of the issue of jurisdiction. Even in the case of leave under clause 12 of the Letters Patent, this invariably happens. Leave is granted by the Court on the basis of the plaintiff's averments in the plaint and the Court even proceeds to grant interim relief and yet the suit can very well be dismissed on the trial of the preliminary issue framed subsequently. The Code of Civil Procedure contains adequate provisions for compensating the defendant, in the event the interim injunction is wrongly granted in favour of the plaintiff. On the other hand, the consequence of omission to grant leave until after final determination of the preliminary issue would entail irrevocable prejudice to the plaintiff. Framing of a preliminary issue ordinarily does not deprive the plaintiff of a legitimate interlocutory relief pending determination of the preliminary issue, but in the case of refusal to grant leave pending determination of the preliminary issue, no relief can be granted to the plaintiff on the other causes of action which are sought to be combined with leave of the Court. That will be an anomalous situation and may in the given case result in irremediable damage to the plaintiff. In this view of the matter, it is not possible to defer the consideration of grant of leave until determination of the

preliminary issue of jurisdiction.

12 All that now remains to be seen is, whether on the facts disclosed by the Plaintiffs the jurisdiction of this Court to entertain the infringement action is made out. The contention is that the registered proprietor of the trade mark carries on business outside the jurisdiction of this Court and cannot maintain an infringement action by the simple expedient of joining his distributor, who carries on business within the jurisdiction of this Court, as a co-plaintiff. In the first place, it is the Plaintiffs' case that Plaintiff No.1 carries on business within the jurisdiction of this Court through Plaintiff No.2 who is its distributor and agent. For the purposes of the present application for leave, we have to proceed on the footing, as explained above, that this is the correct position. But even besides this fact, the question of law raised by the Defendants is covered by a judgment of this Court in **Ultratech Cement** (supra). The Court in that case considered the decision of the Supreme Court in **Exphar Sa Vs Eupharma Laboratories Ltd.**² which was a case under Section 62(2) of the Copyright Act, 1967. The observations of the Supreme Court in that case (para 14) are quoted in that Judgment. The observations are to the following effect:

“14. Even if the jurisdiction of the Court were restricted in the manner construed by the Division Bench, it is evident not only from the cause title but also from the body of the plaint that the Appellant No.2 carries on business within the jurisdiction of the Delhi High Court. Appellant No.2 is certainly “a person instituting the suit”. The Division Bench went beyond the express words of the statute and negated the jurisdiction of the court because it found that the Appellant No.2 had not claimed ownership of the copyright of the trade mark infringement of which was claimed in the suit. Appellant No.2 may not be entitled to the relief claimed in the suit but that is no reason for holding that it was not a person who had instituted the suit within the meaning of Section 62(2) of the Act.”

Based on this Judgment, it was held in **Ultratech Cement Ltd.**(supra) as follows (para 9):

2 (2004) 3 SCC 688

“The subject of joinder of plaintiffs as well as causes of action is dealt with in Order 1 Rule 3 and Order 2 Rule 3 of the Code of Civil Procedure. If the joinder of plaintiffs and causes of action is in order in accordance with these provisions, it is sufficient if one of the plaintiffs has his place of residence or business within the local limits of the jurisdiction of the Court for the purposes of Section 134(2) of the Trade Marks Act, 1999. The argument of Mr Kadam that to confer jurisdiction under Section 134(2) of the Act, the person **instituting** the suit or proceeding must be the person **entitled to do so** in his own right, does not appear to be correct. If there are more than one plaintiff, one of them actually and voluntarily residing or carrying on business or personally working for gain within the local limits of the jurisdiction of this court is sufficient to confer jurisdiction on the court, without that particular person being entitled to maintain the particular cause of action in his own right.”

13 These observations equally apply to the facts of our case and make it clear that this Court has the initial jurisdiction to entertain the cause of action of infringement on the basis of the plaint as framed.

14 In that view of the matter, the Plaintiffs have made out a case for grant of leave under clause 14 of the Letters Patent. Leave Petition is, accordingly, allowed.

(S.C.GUPTA J.)