

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Reserved on : 14..10..2014

Delivered on : 04..12..2014

C O R A M

THE HON'BLE MR. SANJAY KISHAN KAUL, CHIEF JUSTICE

THE HON'BLE MR. JUSTICE M. SATHYANARAYANAN
and
THE HON'BLE Mrs. JUSTICE PUSHPA SATHYANARAYANA

O.S.A. No.111 and 112 of 2008

M/s. Duro Flex Pvt. Limited,
represented by its Managing Director
Mr. George L Mathew
P B 3808, Chung Om
Alleppey - 688 011
Kerala, having office/depot at
235 -A, Anna Salai,
Teynampet, Chennai.

...Appellant in both appeals/
Applicant/Plaintiff

versus

M/s.Duroflex Sitzings System
150, M G Road Radiant House
near Pulgate Police Chowky
Pune - 411 011.
Sadar Bazaar, Delhi.

...Respondent in OSA.No.111 of 2008/
Respondent/Defendant

M/s.R P Homes Private Ltd.,
represented by its Director
4415, Gali Bahuji, Pahari Dhiraui
Sadar Bazar, Delhi.

...Respondent in OSA.No.112 of 2008/
Respondent/Defendant

Prayer : Appeals filed under Order 36 Rule 11 of Original Side Rules read with Clause 15 of the Letters Patent against the order dated 29.08.2007 in A.No.322 and 323 of 2007 in C.S.D. Nos.36297 and 36288 of 2006.

Applications filed under Order XIV Rule 8 of O.S. Rules r/w clause 12 of Letter Patent praying to grant leave to the applicant / plaintiff to sue the respondent / defendant in the above C.S. SR No.36297 of 2006 and 36288 of 2006.

C.S.D.No. 36297 of 2006:

The Plaintiff therefore prays that this Hon'ble Court may be pleased to pass a judgment and decree against the defendant by

a) granting perpetual injunction restraining the Defendant, their men, distributors, stockists, servants, agents, retailers, representatives or any other person claiming under them from in any manner manufacturing, selling, offering for sale, stocking, advertising directly or indirectly dealing with their products with the label "DUROFLEX / DURO FLEX SITTING SYSTEMS" as their Trade mark and adopting deceptive trading style DEROFLEX SITTING SYSTEM resembling the plaintiff's trade mark "DURO FLEX" or any other mark and / or trading style which is identical or deceptively similar to the plaintiff's registered trade mark so as to infringe the Trade Mark of the plaintiff.

b) granting perpetual injunction restraining the Defendant, their men, distributors, stockists, servants, agents, retailers, representatives or any other person claiming under them from in any manner manufacturing, selling, offering for sale, stocking, advertising directly or indirectly dealing with their products with the Trade Mark "DUROFLEX / DURO FLEX SITTING SYSTEMS" and adopting deceptive trading style DEROFLEX SITTING SYSTEM resembling the plaintiff's registered trade mark "DURO FLEX" or any other mark and / or trading style which is identical or deceptively similar to the plaintiff's registered trade mark so as to pass off the defendant's preparations as that of the preparations of plaintiff or in any other manner whatsoever connected with the plaintiff.

c) directing the defendant to deliver, for destruction, to the plaintiff of the preparations, name boards, letter heads, dies, blocks, articles, literatures, advertisements, cartons, labels, papers, polythene bags, jute bags and all other things bearing and containing the trade mark with their products with the Trade Mark "DUROFLEX / DURO FLEX SETTING SYSTEMS" or to the authorised representative of the plaintiff for destruction.

d) passing a preliminary decree in favour of the plaintiff directing the defendant to render accounts of profits made by them by use of the impugned trade mark with their products with the Trade Mark "DUROFLEX / DURO FLEX SITTING SYSTEMS" or other similar marks thereof and deceptive trading style thereof and a final decree be

passed in favor of the plaintiff for the amount of profits found to have been earned by the defendant, after the latter has rendered accounts.

e) directing the defendant to pay costs of this suit and

C.S.D.No. 36288 of 2006 :

The Plaintiff therefore prays that this Hon'ble Court may be pleased to pass a judgment and decree against the defendant by

a) granting perpetual injunction restraining the Defendant, their men, distributors, stockists, servants, agents, retailers, representatives or any other person claiming under them from in any manner manufacturing, selling, offering for sale, stocking, advertising directly or indirectly dealing with their products with the Trade Mark "DURO FLEXI PUFF" resembling the plaintiff's trade mark "DURO FLEX" or any other mark which is identical or deceptively similar to the plaintiff's registered trade mark so as to infringe the Trade Mark of the plaintiff.

b) granting perpetual injunction restraining the Defendant, their men, distributors, stockists, servants, agents, retailers, representatives or any other person claiming under them from in any manner manufacturing, selling, offering for sale, stocking, advertising directly or indirectly dealing with their products with the Trade Mark "DURO FLEXI PUFF" resembling the plaintiff's registered trade mark with their products with the Trade Mark "DURO FLEX" or any other mark which is identical or deceptively similar to the plaintiff's registered trade mark "with their products with the Trade Mark "DUROFLEX" so as to pass off the defendant's preparations as that of the preparations of plaintiff or in any other manner whatsoever connected with the plaintiff.

c) directing the defendant to deliver, for destruction, to the plaintiff of the preparations, dies, blocks, articles, literatures, advertisements, cartons, labels, papers, polythene bags, jute bags and all other things bearing and containing the trade mark with their products with the Trade Mark "DUROFLEXI PUFF" or to the authorised representative of the plaintiff for destruction.

d) to pass a preliminary decree in favour of the plaintiff directing the defendant to render accounts of profits made by them by use of the impugned trade mark with their products with the Trade Mark "DUROFLEXI PUFF" or other similar marks thereof and deceptive trading style thereof and a final decree be passed in favor of the plaintiff for the amount of profits found to have been earned by the defendant, after the latter has rendered accounts.

e) directing the defendant to pay costs of this suit and

For Appellant : Mr.K.Rajasekaran in both appeals

For Respondents : Mr.Sathish Parasaran in both appeals

J U D G M E N T

The Hon'ble the Chief Justice

"M/s. Duro Flex Pvt. Ltd.", the appellant, is a company incorporated and registered as a private limited company under the Companies Act, 1956 and stated to be engaged in the business of manufacturing and marketing Rubberised Coir Products such as Mattresses, Pillows, Cushioning materials and Air Filters since 01.10.1981 under the brand name "DUROFLEX". It is the case of the appellant that initially the business was carried on under the name of "M/s.Duroflex Coir Industries Private Limited", but that name was changed on 08.03.1996 to "M/s.Duroflex Limited" and thereafter on 29.09.2001 to the present entity.

2. The appellant applied for registration vide Application No.401231 dated 01.02.1993 of its Trade Mark "DUROFLEX" adopted from 01.10.1981, such application having been preferred before the Deputy Registrar of Trade Marks, Madras, in Class - 20 for goods, rubberised coir products - Mattresses, Pillows, Cushioning materials and Air Filters. The trade mark was registered on 10.02.1983. The appellant claims large sales throughout the country under the said Trade Mark. The Trade Mark is stated to have been published in the Trade Mark Journal dated 16.08.1987 and on registration, the Registration Certificate was issued on 12.08.1988. The appellant alleges that the respondent dishonestly adopted the trade mark "DURO FLEXI PUFF", which came to the knowledge of the appellant in November, 2005. The Trade Mark is alleged to be deceptively similar and identical to the registered trade mark of the appellant with only the suffix "PUFF" being added. The appellant thus sent a legal notice, but the respondent refused to oblige and the result is that the appellant filed a suit for perpetual injunction seeking a decree against the respondent, as also to deliver, for destruction and a preliminary decree for rendering accounts of profits. The respondent company being a private limited company with its registered office located in Sadar Bazar, Delhi, the cause of action paragraph in the plaint alleges that the same arose at Chennai where the Register of Trade Mark in which the plaintiff's Trade Mark is maintained. The appellant has an Office/Depot and is working for gain in Chennai from where it started manufacturing the product under the Trade Mark "DUROFLEX", the Certificate of Registration has been issued at

Chennai, from where the appellant issued a legal notice and the reply of the respondent was received, declining to discontinue the use of the Trade Mark. Since the respondent was carrying on business outside the jurisdiction of the Court, it is stated to be on account of abundant caution that the appellant filed Application No.323 of 2007, seeking leave to sue under Clause-12 of the Letters Patent. This application has been dismissed by the impugned order of the learned Single Judge dated 29.08.2007, which has been assailed in the present appeal.

3. The impugned order is predicated on the principle of forum conveniens. The learned Single Judge took note of the fact that there was no allegation of any sale of goods within the jurisdiction of this Court and analysed the plea of the appellant based on the factum of registration of the Trade Mark at Chennai. After referring to various judicial pronouncements, the learned Single Judge opined that the question whether merely because the Office of the Trade Mark Registrar is situated in Chennai would amount to registration of the Trade Mark in Chennai has to be answered in favour of the appellant, in view of the pronouncement of the Division Bench of this Court in S.B.S. Jayam and Co. vs. Gopi Chemical Industries Limited, India, reported in (1997(1)MLJ 287). However, the question of forum conveniens was distinguished from this aspect and it was concluded that the appellant did not have its principal place of business at Chennai as only a Branch Office was located here, while the registered office was in Alleppey, Kerala, with branches all over India. The respondent did not carry on business in Chennai, but was located in Delhi. No sale was shown at Chennai. Thus, the application was dismissed.

4. In the course of arguments before a Division Bench (consisting of two of us - (S.K.K., CJ., and M.S.N.J.)), one of the issues which arose for consideration was whether maintenance of Register in the Trade Mark Registry at Chennai by itself would give rise to a cause of action to seek leave to file the suit in the Madras High Court? In this context, two conflicting views of the Division Bench of this Court were brought to the notice of the Bench. The first view is reflected in Ramu Hosieries represented by M.Murugesan vs. Ramu Hosieries, represented by Pandela Ramu, (1999 PTC (19) 183), where it was opined that the jurisdiction of the Civil Court in relation to movable property has to be determined with reference to cause of action and the rights in Trade Mark being movable property, the registration of Trade Mark would suffice to give jurisdiction to this High Court. A contra view has been expressed in Shabbir Medical Hall vs. Mohammed Naseer, (2010 (3) CTC 864), that the location of Trade Mark Registry cannot be the basis for cause of action.

5. The other aspect which arose was qua the principle of forum conveniens, which was not applicable to domestic disputes governed by the Code of Civil Procedure, as observed by a Division Bench of the Delhi High Court in Horlicks Ltd., and another vs. Heinz India (Pvt) Limited, (2010 (42) 156 PTC (Delhi) (DB), authored by one of us (S.K.K. CJ.,) relying upon the earlier Judgement of the Honourable Supreme Court, but then it would have relevance in determining whether leave has to be granted or not, where part of the cause of action arises in Chennai, under Clause - 12 of the Letters Patent. We thus opined that the matter has to be referred to a Larger Bench, in view of the conflict of views and it was so done by framing the following questions to be answered:

"(i) Whether the situs of the Trade Mark Registry in Chennai and the name being on its register would itself give rise to cause of action to institute a suit in the Madras High Court?

(ii) Whether the principles of forum conveniens or analogous principles apply to consideration of an application for leave to sue under Clause 12 of the Letters Patent in case part of cause of action arises at Chennai?"

It is the aforesaid two legal questions that have arisen for our consideration.

6. We may note that the connected appeal also arises from the orders passed on the same date by the learned Single Judge in a suit preferred by the appellant, but against "M/s. Duro Flex Sitzings System" which has been based at Pune and the grievance is against the Trade Mark Label "Duroflex / Duro Flex Sitzings System", with the cause of action paragraph almost identically worded and the impugned order being identical except for the aforesaid factum of distinction. Thus the questions of law were framed in both the appeals.

The First Question

7. The learned counsel for the appellant sought to contend that the averment as to the existence of property would be an averment of necessary material fact. This necessary material fact in turn would undoubtedly be a part of the cause of action. As to what is the cause of action for filing of a suit has been enunciated in Shiv Bhagwan Moti Ram Saraoji vs. Onkarmal Ishar Dass and others reported in (AIR 1952 Bombay 365(1)), wherein a Division Bench of the Bombay High Court, while emphasising that the first duty of the Court is to ascertain what facts constitute the cause of action, with the next duty to follow is to ascertain whether those facts arose. It was thus observed that the existence of a property at a particular place is not a part of the cause of action, but it is one of existence of the property. If the existence of a property was a material fact constituting a part of cause of the action in a partition suit, then the location of the property must be considered

in order to determine the jurisdiction of the Court. The scheme of Clause-12 of the Letters of Patent was thus held to confer jurisdiction upon the Court, with regard to suits other than suits for land, in the first instance in relation to the cause of action, which jurisdiction is not exercised 'in personam', because even though the defendant may not be within its jurisdiction, the Court can exercise its jurisdiction in relation to the subject-matter of the suit.

8. In the discussion in the aforesaid Judgments dealing with movable property, it has been observed that the existence of the movable property would be essential part of the cause of action and if the same is situated within the jurisdiction of the particular court, that part of cause of action would certainly arise within the jurisdiction of that court. Thus the situs or location of the movable property within the jurisdiction would invest the Court with the jurisdiction.

9. In the context of situs of a Trade Mark, learned counsel submitted that Trade Mark is an intangible, movable asset capable of transmitting an assignment. It is put up in a place. This can be a business place or elsewhere. The provisions of Trade Marks Act, 1999 and the Rules framed thereunder fix the place of the Trade Mark Registry and thus the territorial jurisdiction is where the appropriate Office of Trade Mark Registry in which that Trade Mark is registered. Any post-registration act like assigning, revocation etc. would take place only at this Registry. It was conceded that though the Register of Trade Marks all over India is kept at Mumbai, the appropriate Trade Mark registry where the mark is registered is the situs of the Trade Mark.

10. Learned counsel sought to derive strength from the pronouncement of the Division Bench of this Court in S.B.S.Jayam and Co. vs. Gopi Chemical Industries Limited, India, referred to supra, wherein the right of a plaintiff to the registered Trade Mark is held to be a proprietary right and therefore it is a property. It is transferable under Sections 36 and 37 of the Trade and Merchandise Marks Act, 1958. It is movable property as per Section 3(36) of the General Clauses Act, 1987. Thus, the only question was whether the situs of such property can be said to be at Madras. In view of the branch Offices, including the one at Madras having independent territorial jurisdiction, regarding the powers conferred under the said Act, it was observed that there could be no doubt that the situs of the property in the Mark was at Madras. The aforesaid view is stated to have been followed in a number of cases as under :

(a) O.S.A. No.78 to 80 of 1976 : Harold Charles Pinto vs. Hilda Menezes, decided on 24.11.1976, wherein the Division Bench of the Madras High Court has held that since in a suit for infringement of Trade Mark the plaintiff has to establish the cause of action by

showing that he has proprietary right in the Trade Mark which has been infringed by the other party, the same can be done only by showing that it is registered with the Registry of Trade Marks. Thus the cause of action can be taken to arise partly at Madras where the Trade Marks have been registered.

(b) K.B. Venkatachala Mudaliar vs. Vanaja Match Works reported in (1990 PTC 259), wherein the learned Single Judge of the Madras High Court while observing that there could be no dispute that a registered Trade Mark is a property, held that since the Office of the Registry of Trade Mark is situated at Madras, the situs of that property must be held to be at Madras. Since the fact of registration of the Mark constitutes part of cause of action, it must be held to be registered at Madras.

(c) Amrutanjan Limited vs. Ashwin Fine Chemicals & Pharmaceuticals reported in (A.I.R. 1991 Madras 277), wherein it has been held by the learned Single Judge that on the original side, the Letters Patent were held as applicable to a suit instituted at the High Court for infringement of a registered Trade Mark and since the defendants have not disputed the registration of the Trade Mark of the plaintiff at Madras and their manufacturing, marketing and selling their products throughout the country, a combined perusal of Clause-12 of the Letters Patent and Section 20 of the Code of Civil Procedure, 1981 as also Section 106 of the Trade and Merchandise Marks Act, would lead to a conclusion that the Madras High Court has jurisdiction to try the same. This was so even if the product with the alleged offending mark had not come to the Madras market, as the alleged infringement was not only at the place where the defendants marketed their goods, but also where the plaintiff's property itself was situated. The registration of the Trade Mark had been done at the Trade Mark registry at Madras and even though the original registration was done at different place for the plaintiff's Trade Mark, since Madras happened to be one of its branches having independent territorial jurisdiction regarding the power conferred under the said Act, there could be no doubt that the plaintiff's registration of Trade Mark at Madras Office would imply that the situs of the property in the registration of Trade Mark is deemed to be at Madras.

(d) Ramu Hosieries, represented by M. Murugesan vs. Ramu Hosieries, represented by Pandela Ramu and another reported in (1999 PTC (19) 183 (DB)), wherein it was held that even though the alleged offending Mark had not come to Madras, the facts of registration here would give rise to one part of the cause of action arising at Madras. The jurisdiction of a Civil Court in relation to movable property has to be determined with reference to the cause of action. The right or interest in a Trade Mark can only be in relation to a movable property having regard to the definition under the General Clauses Act. The Trade Mark had been admittedly put to use, exploited and registered at Madras. Therefore, the cause of action in the suit can

be taken to have arisen where the property was situated or where it was marketed or exploited and registration assumes all significance, because in a suit for infringement of a Trade Mark, the plaintiff has to establish the cause of action by showing that a proprietary right in a Trade Mark existing with the plaintiff has been infringed.

(e) Premier Distilleries Pvt., Ltd., vs. Shashi Distilleries reported in (2001 PTC 907 (Mad) (DB), where a distinction was made between the infringement action and passing off action since in an infringement action, it was essential for the plaintiff to show that the Mark in fact had been registered. The failure to establish this fact could result in dismissal of the suit.

(f) Lakha Ram Sharma vs. Balar Marketing Pvt., Ltd., and Others reported in (2002 (24) PTC 115 (Del), wherein the learned Single Judge has held that the legislature has chosen the situs of the Trade Mark as the place for conferring territorial jurisdiction, which continues to be at the Trade Mark registry at Chennai.

(g) Ajay Kumar Aggarwal Trading as M/s. S.A. Engineers and Another vs. Officine Lovato S.P.A. - reported in 2005 (2) CTMR 271 (Madras) (DB), wherein the situs of the Trade Mark being part of cause of action, it was held, that the part of the cause of action arose within the jurisdiction of this Court. The Trade Mark had been registered and reflected in the Head Office of the Trade Mark Registry at Mumbai, yet, the Trade Mark Registry's branch office being at Chennai, keeping in view the provisions of Section 18 of the Trade Marks Act, 1999, the situs of the Trade Mark can be said to be at Chennai.

(h) Dhora House vs. S.K.Maingi reported in 2006(1) TMR 1 (SC), it was held that in the context of the requirement of an application for registration of a Trade Mark to be filed either at Mumbai or Ahmedabad, it was held that the sequester was that the objection thereto was also required to be filed at the same place.

(i) Motorola Inc vs. Modi Wellvest reported in (2005(79) DRJ 173), wherein it has been held by the learned Single Judge of the Delhi High Court that under Section 2(46) of the Companies Act, 1956, a share is defined to mean a share in the share capital of the company and consequently a share in a corporation held by any person is located where the registered office of the corporation is located i.e., where it can be effectively dealt with. It is further held that the essential element in determining the situs in a case of intangible chattels for the purpose of probate jurisdiction as "the circumstance that the subjects in question could be effectively dealt with within the jurisdiction."

11. Per contra, learned counsel for the respondent canvassed that the jurisdiction of a Court in a suit relating to Trade Mark infringement is provided for under Section 134(2) of the Trade Marks Act, 1999, read along with the relevant provisions of the said Code and the Letters Patent as the case may be.

12. The relevant provisions of the Trade Marks Act, 1999, the Code of Civil Procedure and the Patents Act, 1970, are extracted hereunder:

"Section 134 of Trade Marks Act

134. Suit for infringement , etc., to be instituted before District Court -

(1) No suit --

(2) For the purpose of clauses (a) and (b) sub-section (1), a "District Court having jurisdiction" shall, notwithstanding anything contained in the Code of Civil Procedure, 1908 (5 of 1908) or any other law for the time being in force, include a District Court within the local limits of whose jurisdiction, at the time of the institution of the suit or other proceeding, the person instituting the suit or proceeding, or, where there are more than one such persons any of them, actually and voluntarily resides or carries on business or personally works for gain.

Explanation: For the purposes of sub-section (2), "person" includes the registered proprietor and the registered user."

Section 20 of the Code of Civil Procedure

20. Other suits to be instituted where defendants reside or cause of action arises:-- Subject to the limitations aforesaid, every suit shall be instituted in a Court within the local limits of whose jurisdiction --

(a) the defendant, or each of the defendants where there are more than one, at the time of the commencement of the suit, actually and voluntarily resides, or carries on business, or personally works for gain; or

(b) any of the defendants, where there are more than one, at the time of the commencement of the suit, actually and voluntarily resides, or carries on business, or personally works for gain, provided that in such case either the leave of the Court is given, or the defendants who do not reside, or carry on business, or personally work for gain, as aforesaid, acquiesce in such institution; or

(c) the cause of action, wholly or in part, arises."

Clause 12 of the Letters Patent

"12. Original jurisdiction as to suits - And we do further ordain that the said High Court of Judicature at Madras, in exercise of its ordinary

original civil jurisdiction, shall be empowered to receive, try, and determine suits of every description if, in the case of suits for land and other immovable property, such land or property shall be situated, or, in all other cases, if the cause of action shall have arisen, either wholly, or, in case the leave of the Court shall have been first obtained, in part, within the local limits of the ordinary original jurisdiction of the said High Court: or if the defendant at the time of the commencement of the suit shall dwell or carry on business or personally work for gain, within such limits; except the said High Court shall not have such original jurisdiction in cases falling within the jurisdiction of the Small Cause at Madras, in which the debt or damage, or value of property the sued for does not exceed hundred rupees."

13. Learned counsel submitted that S.B.S. Jayam's case cited supra sought to give the cause of action to Madras on the basis of the situs of the Trade Mark being registered in Madras. This was purported to follow the law laid down by the Honourable Supreme Court in R.Viswanathan vs. Rukn-Ul-Mulk Syed Abdul Wajid reported in (1963) 3 S.C.R. 22), wherein it was held that the situs of certain shares (which are movable) is the place where the registered office of the company is situated, that being the place where the shares can be effectively dealt with. This analogy is pleaded to be fallacious as the aforesaid case related to private international law where the situs of the property was to be fixed in order to determine what law would govern it. The Honourable Supreme Court thus applied the artificial legal fiction which was long established in common law principles in the case of shares, to determine its location for the purpose of taxation. This fiction was created for the purpose of taxation alone as the law of taxation was based on the location of assets. (Judgements referred to: Scottish and Australian Bank, Limited vs. Commissioners of Inland Revenue; Royal Trust Company v. Attorney - General for Alberta, (1930) A.C. 144; Brassard vs. Smith, 1925 AC 371; Kwok Chi Leung Karl vs. Commissioner of Estate Duty, (1988) 1 WLR 1035; and Eri Beach Co., Limited vs. Attorney General, AIR 1930 PC 10.)

14. It was thus submitted that this judicial fiction ought not to be resorted to when there is no legal necessity to do so. An intangible property, by its very nature, was pleaded to have a physical existence and cannot be said to exist in any particular jurisdiction of the Court. A fiction would need to be employed to determine the situs of the same. For example, in Internet related disputes, the Courts have applied the "effects" doctrine on the test of "purposeful availment" or "sufficient contacts" in order to determine the jurisdiction of the forum. (Judgements referred to:

India TV Independent News Service Pvt. Ltd., vs. India Broadcast Live Llc and others (2007(35) PTC 177 (Del) (authored by one of us - S.K.K.CJ.) affirmed in Banyan Tree Holding vs. A.Murali Krishna Reddy 2010 (42) PTC 361 (Del) (DB). However in an ordinary Civil Suit for infringement of Trade Marks, the legislature has clearly indicated the Court before which such suit can be instituted under Section 134(2) of the Trade Marks Act, 1999 read with the provisions of the Code of Civil Procedure or any other law in force in India. The legal fiction was thus pleaded to be unnecessary.

15. Reference was also made to the Judgement of the Honourable Supreme Court in R.Vishwanathan vs. Ruken-ul-Mulk Syed Abdul Wajid reported in (1963) 3 S.C.R 22) = (AIR 1963 SC 1), to contend that the Apex Court did not state that the situs of the shares where the registered office of the company is situated or where the Register of share is maintained, but the situs of the shares is where the property could be effectively dealt with. The company registered Office also happened to be a place where the shares could be dealt with and thus, the finding was fact-specific. Apart from this, the principle applicable as to where the shares can be dealt with effectively is different from a case involving infringement of a Trade Mark, since there is no question of dealing with the Trade Mark which has been infringed and so consideration of situs of the Trade Mark cannot be determined by applying the same test.

16. It is submitted that there are in fact multiple levels of fiction created. The first fiction involved the registering of the Trade Mark as any other property which is done by the legislature itself. The second fiction involved the property having a physical presence. The third fiction relates to the location of the property and the aforesaid infringement of Trade Mark occurs where the physical attributes of the Trade Mark had been created by a judicial fiction. Such layered creation of legal fiction had been disavowed by the Court of appeals in England, in the case of In Re Palmer, Decd.(A Debtor) reported in 1994 (3) W.L.R 420.

17. In the conspectus of the observations in S.B.S. Jayam's case cited supra, it was submitted that the Court failed to consider that the Certificate of Registration of Trade Mark is always issued by the Trade Marks Registry, Mumbai, which is the Head Office and only a copy of the Register of Trade Mark is kept at each of the branch Offices of the Trade Mark Registry. Thus, the judicial fiction would create an extraordinary situation where in a civil suit for infringement of Trade Mark, the court in Mumbai has jurisdiction to try the suit, if there is no other connection between the said court and the parties or the subject matter. The plea thus advanced was, such a test ought to be eschewed as it would lead to unintended results.

18. The learned counsel submitted that a number of relevant factors need be taken into account to determine the location of a particular Trade Mark which connect that Trade Mark to the place. Under the Canadian Jurisprudence, a test is said to have been applied known as "Connecting Factors" test, in Canda vs. Folster reported in 1997 Can LII 6344 (FCA) (Federal Court of Appeals), wherein it was held that the weight given to each factor should be related to the purpose for which the situs is being determined under this test, and thus, it was submitted that this Court ought to hold that mere registration of Trade Mark at a particular place would not render the place as the situs of the Trade Mark. The situs would depend upon the facts of each case and the factor that connect the Trade Mark to that place.

19. The learned counsel placed reliance on a decision of the Honourable Delhi High Court in St. Ives Laboratory Inc. vs. Arif Perfumers and another reported in (2009) ILR (5) (Del.) 157, it has been held by the learned Single Judge that mere registration of Trade the Mark in Delhi could not be a ground for invoking the jurisdiction of the Delhi High Court as the Trade Marks Act, 1999 did not allow registration of a Trade Mark within the jurisdiction of a Court to be a ground for filing a suit in that Court. For the sake of argument, even if the location of a particular property, the rights in respect of which are in dispute and the registration of the Trade Mark is in Chennai, at best it could be construed to be a part of the cause of action, but that by itself would be insufficient to grant leave to institute the suit before this Court.

20. Lastly, it was projected that in case of infringement of Trade Mark, courts in United States have observed that it is not Trade Mark itself which is infringed, but the right of public to be free of confusion, and the synonymous right of a Trade Mark owner to control its product's reputation. The Trade Mark laws exist not to protect Trade Marks, but to protect the consuming public from confusion, concomitantly protecting the Trade Mark owner's right to a non-confused public. (Judgements referred to - James Burrough Ltd vs. Sign of Beefeater Inc. (540 F.2d 266) and Accord dallas Cowboys Cheerleaders Inc v. Pussycat Cinema Ltd. (604 F.2d 200)). If the view so pleaded was to be adopted, then there would be no requirement of fixing situs of the Trade Mark at all.

The Second Question

21. Learned counsel for the parties are ad idem on consideration of the question where leave is to be granted under Clause -12 of the Letters Patent, whether the principles of forum conveniens would be applicable. Their difference in perspective on the issue is as to how these principles would apply.

22. Learned counsel for the appellant sought to contend that the duty of the Court is only to see the availability of a part of cause of action as per the averments in the plaint. In terms of Section 134 of the Trade Marks Act, if it is a deviation from the normal rule of jurisdiction, the plaintiff is entitled to file a suit, even if the defendant is not residing or carrying on business within the jurisdiction of that court. This is stated to be a premium given to the plaintiff in an infringement action where the plaintiff has gone through the process of registration by proving the bona fide adoption of the Trade Mark. This is thus an additional forum to the plaintiff. In the normal defence, it was submitted that a defendant is always put to inconvenience in such proceedings, even though the infringer is a business person who can afford litigation expenses.

23. In the context of the origination of the Letters Patent, reference was made to Full Bench Judgement of the Delhi High Court in Jaswinder Singh vs. Mrigendra Pritam Vikram Singh Steiner and others reported in 2012 (6) CTC 129 (Del.). The said judgement carved out the definition between the Letters Patent of chartered High Courts and non-chartered High Courts. The chartered High Court at Madras was preceded by the Honourable Supreme Court established in the Presidency Town, which had both original jurisdiction and appellate jurisdiction, qua the territory in question. Thus, when chartered High Courts were established, there were two kinds of original jurisdiction which were transferred to it, i.e., one being exercised by the Honourable Supreme Court in Presidency towns as well as one being exercised by the Sadar Courts in the Mofussil areas. The term 'Letters Patent' was derived from the Latin term "Literae Patentes" meaning "Open Letters", which denotes a public grant from Sovereign to subject, conferring rights to land, a franchise, a title, liberty or some other endowment.

24. Insofar as the applicability of the principles of forum conveniens to Civil proceedings is concerned, the Division Bench of the Delhi High Court in Horlicks Ltd., and another vs. Heinz India (Pvt) Limited reported in (2010 (42) 156 PTC) (Del) (DB), has opined that the principle emerged as a principle of Admiralty Law applicable primarily to foreign forum and finds no place in a domestic forum in India. The plaintiff is always the dominus litis and so long as the Court has jurisdiction to try a suit, a party cannot be non-suited. A suit has to be governed by the provisions of the said Code. Relying on the observations of the Honourable Supreme Court in Abdul Gafur and Another vs. State of Uttarakhand and others reported in (2008) 10 SCC 97, where the Honourable Supreme Court observed that Section 9 of the Civil Procedure Code provides that a Civil Court shall have jurisdiction to try all suits of civil nature excepting suits, of which cognizance is either expressly or impliedly barred. It was further held that law confers on every person an inherent

right to bring a suit of civil nature of one's choice at one's peril, howsoever frivolous the claim may be, unless it is barred by a statute. The plaint thus can only be rejected in terms of Order VII Rule 11 of the Civil Procedure Code. The principles of forum non conveniens, if applied to civil suit proceedings, would leave the plaintiff in the dark, as more than one court may have jurisdiction in the matter. So long as a particular court has the jurisdiction, the privilege is that of the plaintiff.

25. The learned counsel also referred to the Judgement in India TV Independent News vs. India Broadcast Live and Others reported in 2007(35) PTC 177 (Del.), dealing with the jurisdiction of different courts in different countries, concluding that the plaintiff's choice of forum is usually not disturbed unless the balance of convenience is strongly in favour of the defendant. Thus, in determining whether a more appropriate forum exists, connecting factors, such as those effecting the convenience of the parties, expenses involved and the law governing the relevant transactions are to be looked into. The mere fact that a part of the cause of action has arisen within the jurisdiction of the Court may itself not be considered to be a determinative factor compelling the court to decide the matter on merits. In determining which of the available forums is the forum conveniens in a given matter, the convenience of all the parties had to be seen.

26. In Brooke Bond (India) Limited vs. Balaji Tea (India) Pvt., Ltd., reported in ((1993) 2 MLJ 132), while dealing with the issue of copy right infringement, it was observed that Section 62 of the Copy Right Act, 1957, permits a deviation from the general law, giving the discretion to the litigant to decide the forum. It is his choice and not the choice of the Court and no exception can be taken if his discretion is not to the liking of the Court.

27. In Marico Industries Limited and Another vs. Sarfaraj Trading Company and Others reported in 2002 (25) PTC 93 (Bom)(DB), the issue was one of refusal of leave under Clause 14 of the Letters Patent. The Leave was refused only on the ground that the respondent was carrying on business at Hyderabad/Secundarabad. It was observed in the factual context of the case that the Court should endeavour to avoid multiplicity of litigation and the parties should not be driven from court to court merely on technicalities. The parties being businessmen, the Court shall satisfy that no undue hardship was likely to be caused to the respondents, if the appellant was allowed to combine the action of trade mark and passing off along with the action of infringement of copy right.

28. In Smithkline Beecham Plc and another vs. Sunil Singhi and another reported in (2001(PTC) (Del.) 321), Section 62 of the Copy Right Act was observed to be making an obvious and significant

departure from the norm back the choice of jurisdiction should primarily be governed by the convenience of the defendant.

29. In Ramchander Laxminarayanan Karva vs. Jaganath Khubchand Karva and Another reported in 1994(14) PTC 218 (Mad.), a Division Bench of this High Court made reference to Halsbury's Laws of England on the balance of convenience and stated as under:

"We do not say that in considering the balance of convenience as to the forum for instituting a suit, it would be necessary [like the principles of injunction] to see the ultimate injury that a party may suffer but we do find support to our view we state in no uncertain terms that in deciding whether to refuse leave or not, it would be necessary to see on facts and not, on assumptions, who shall suffer the plaintiff the defendant, if the leave is granted or refused as the case may be. We are, however, constrained to observe that when parties were unaware of the rule that the doctrine of 'forum conveniens' is one under which in deciding whether to refuse or not, it would be necessary to see on facts and not on assumptions who shall suffer the plaintiff or the defendant if the leave is granted or refused."

30. A number of Judgements were referred to in the context of Section 62 of the Copy Right Act, 1957, as under :

(i) In Brooke Bond (India) Limited vs. Balaji Tea (India) Pvt. Ltd., reported in ((1993) 2 MLJ 132), the Division Bench has observed, "Section 62 of the Copyright Act permits a deviation from the general law. But then, that gives a discretion to the litigant to decide the forum. It is his choice and not the choice of the Court. No exception can be taken if his discretion is not to the liking of the Court."

(ii) In Smithline Beecham Plc and another vs. Sunil Singhi and another reported in 2001(PTC) (Del) 321, it has been observed by the learned Single Judge, "Section 62 of the Copyright Act makes an obvious and significant departure from the norm that the choice of jurisdiction should primarily be governed by the convenience of the Defendant. This shift is with considerable wisdom, since the violation of statutorily protected rights should expose the transgressor/pirator with inconvenience rather than compelling the sufferer who chase after the former."

(iii) In Glaxo Operations U.K. Ltd. vs. Rama Bhaktha Hanuman Candle & Camphor Works reported in PTC (suppl) (2) 293 (Mad.), the learned Single Judge has held, "In Section 62(2) of the Copyright Act, a deliberate departure is made from Section 20 of the Code of Civil Procedure to enable the plaintiff to sue one who infringed his copyright in the Court within whose local limit he carried on business at the time of the institution or other proceedings. That such a privilege extended to a plaintiff to the prejudice of the defendant cannot be doubted. This additional factor will also suggest that the expression "carries on business is too wide to

embrace the branch or branches where the business activities are carried."

31. Learned Counsel for the appellant sought to conclude his submissions on this aspect by setting out three situations which arise for grant of leave in suits arising out of Trademark infringement :-

(i) The plaintiff resides within the jurisdiction and thus irrespective of situs of Trademark and act of infringement or residence of defendant, no prior leave would be required in view of Section 134(2) of the Trade Marks Act.

(ii) The defendant resides within the jurisdiction of the Court and thus irrespective of the situs of Trademark /act of infringement, Clause 12 of the Letters Patent would apply and no prior leave would be required.

(iii) The place where the plaintiff and defendant reside / carry on business decides the jurisdiction of the Court. The situs of the Trademark registry is within the jurisdiction, which gives the part of cause of action where prior leave could be required under Clause -12 of the Letters Patent.

32. In the context of the aforesaid three situations, it was contended that the situs of the Trade Mark at the appropriate Office of the Trade Mark Registry gives the part of the cause of action, which would be sufficient under Clause-12 of the Letters Patent, to grant leave to entertain the suit. In this context, the facts pleaded in the plaint would have to be examined keeping in mind the intent of the Legislature in view of Section 134 of the Trade Marks Act and Section 62 of the Copy Right Act, 1957, without having any exception to the inconvenience of the defendant. The genuineness of the registration of the territorial relationship between the registered mark and the plaintiff alone would be required for granting leave and in case an application for revocation on leave is filed, the parties' inconvenience, ill-motive, bad faith and mala fide intention, if any, would be grounds for revocation of leave. Thus, granting leave is the rule and not an exception. The parties in such litigation, more specifically defendants, are business people and the appropriate registry would be the place where they have to assail and seek cancellation of registration. Thus, there can be no question of any inconvenience, if leave is granted and suit is filed within jurisdiction of the Court, keeping in mind the intention of the legislature for the reasons enunciated aforesaid.

33. On the other hand, learned counsel for the respondent sought to contend that the scope of ordinary original civil jurisdiction of the High Court of Madras in relation to suits is

determined by Clause-12 of the Letters Patent and Sections 16, 17 and 20 of the Code of Civil Procedure are made inapplicable by Section 120 of the Code. Clause-12 was thus pleaded to be a sui generis clause, whereby the High Court assumes jurisdiction only after grant of leave by the court in cases where only part of the cause of action has arisen within its jurisdiction. In cases other than suits for land or other immovable property, Clause 12 provides that the leave of the Court will have to be first obtained before the Court may receive, try or determine a suit if the cause of action does not arise wholly within the territorial limits of the Court unless all the defendants reside or work for gain within its jurisdiction.

34. It was submitted that there are certain cases where the court can neither assume nor renounce jurisdiction or where it may be said to have a total and absolute jurisdiction. As distinct from this, in cases where only a part of the cause of action arises within the jurisdiction of the High Court, a decision has to be taken whether it is the appropriate forum for institution of such suits. The test as observed in *Horlicks Ltd., and another vs. Heinz India (Pvt.) Ltd.*, case cited supra, is appropriateness while deciding the question of forum conveniens. It is really not convenience, but appropriateness or suitability of the forum. The non-applicability of the doctrine of forum conveniens is limited to the consideration of the position under Section 20 of the Code of Civil Procedure and not Letters Patent, which distinction is elucidated in *Madanlal Jalan vs. Madanlal and others* reported in AIR 1949 Cal. 495. It has also been held that the jurisdiction of the Court under Section 20 of the Code is different from its jurisdiction under Clause-12 of the Letters Patent - vide *Food Corporation of India vs. Evdomen Corporation* reported in (1999-2 SCC 446), and thus the same considerations would not apply in the determination of jurisdiction of courts under Section 20 CPC and Clause 12, the plaintiff does not have an absolute right to bring proceedings in the High Court and can only do so with the prior leave of the Court.

35. Learned counsel emphasised that it has been the consistent practice of the Madras High Court to consider the issue of convenience of parties in ascertaining appropriateness of jurisdiction. In *Seshagiri Row vs. Nawab Askur Jung Aftal Dowlah Mushral Mulk*, reported in (ILR 30 Mad. 438), it was observed by the Division Bench that having regard to the wordings of Clause-12 of the Letters Patent, it was clear that the fact whether cause of action arises in part within the local limits is not the question, and notwithstanding that the cause has arisen within the local limits, the court may decline to leave to sue. The question of convenience cannot be thus excluded from consideration. This view was cited with approval in *Madanlal Jalan vs. Madanlal and others* reported in AIR 1949 Cal. 495, where the Judge has held that the balance of convenience is a material consideration in the exercise of

discretion under Clause 12 of the Letters Patent and has enunciated the following legal principles:

"a) that the application lies for revoking the leave granted under Clause 12 of the Letters Patent;

b) that such an application should be made at an early stage of the suit and delay and acquiescence may be a bar to such an application;

c) that if the application depends on difficult questions of law or fact, the Court should not revoke leave on a summary application but should decide the question at the trial;

d) that if the defendant shows clearly that no part of the cause of action arose within jurisdiction, the leave should be revoked as a matter of course;

e) that if only a part of the cause of action arose within jurisdiction, then it is a question of discretion for the Court to give or refuse leave or where leave has already been granted to revoke or maintain the leave;

g) that in giving or refusing leave or maintaining or revoking leave, the Court will ordinarily take into consideration the balance of convenience and may, if the balance is definitely in favour of the defendant, apply the doctrine of forum conveniens;

h) that the Court may refuse leave or revoke leave on the ground of balance of convenience, although there be no evidence of bad faith or abuse of process on the part of the plaintiff;.....

j) that if the Court is satisfied that the suit has been filed mala fide for the purpose of harassing or oppressing the defendant or might result in injustice, the Court should in all cases readily refuse leave or if leave has already been granted, revoke the leave as a matter of course".

36. The said view was approved in the affirmative by the Honourable Supreme Court in Kusum Ingots and Alloys Ltd., vs. Union of India and Another reported in 2004 (6) SCC 254, inter alia holding that High Court may refuse to exercise its discretionary jurisdiction even if a small part of the cause of action arises within its territorial jurisdiction, applying the test of 'forum conveniens'.

37. Learned counsel for the respondent referred to different judicial pronouncements on the principles of 'forum conveniens', referring to relevant passages therein :-

(a) In P.J.Parameswara Pattar vs. Viyathan Mahadevi reported in (AIR 1923 Mad. 272), the Division Bench has observed that

"5.The real question to be considered is the

balance of convenience. Nearly the whole of the alleged cause of action arise in Malabar. There would be no ground at all in my judgment for bringing it here if it did not happen that two of the defendants reside here who, it is alleged, have in their power here a very material document...."

(b) In *Clan Line Steamers Co. Ltd. vs. Gordon woodroffe and Co. and others* reported in (1979) 1 MLJ 349), it has been held thus:

"It is asserted now before us on behalf of the respondent/plaintiff that the entire evidence regarding the subject matter of the suit would be available only in Madras, for the main ground on which the suit has been filed is that the second defendant, who was the Chairman of the plaintiff-company at the relevant time misused his position as Chairman of the company and the trust reposed in him as such Chairman and induced the proposed fourth defendant and the first defendant to terminate the agency of the plaintiff and give it to the third defendant company which was formed by the second defendant. Further, in the case now before us there are no circumstances which would show that the plaintiff has chosen this forum male fide, nor can it be said that the forum chosen is such that if the court permits the suit to go on, the other party would be so handicapped in his defence that it would lead to injustice or that the balance of convenience is decidedly or overwhelmingly against the suit going on in the forum chosen by the plaintiff."

(c) In *Tuticorin Alkali Chemicals and Fertilizers Limited vs. Cochin Silicate and Glass Industries* reported in (1992) 1 LW 308), it has been held by the Division Bench, "We do not say that in considering the balance of convenience as to the forum for instituting a suit, it would be necessary (like the principles of injunction) to see the ultimate injury that a party may suffer, but we do find support for our view and we state in no uncertain terms that in deciding whether to refuse leave or not, it would be necessary to see on facts and not, on assumptions, who shall suffer - plaintiff or defendant - if leave is granted or refused, as the case may be."

(d) In *Brooke Bond (India) Limited vs. Balaji Tea (India) Pvt., Ltd.*, reported in (1993) 2 MLJ 132), it has been observed by the Division Bench as :-

"13. In granting leave to sue on a cause of action only partly arising within the jurisdiction of the Court the principle of balance of convenience is no doubt applied. The principle of balance of convenience which is an expansion of the doctrine 'Forum Conveniens' has been considered in a Judgement of this Court in *Seshagiri Row vs. Nawab Askur Jung Aftal*

Dowlah Mushral Mulk (ILR 30 Mad. 438). It has been observed in the said Judgement:

"Having regard to the wording of Article 12, it is clear that the fact that the cause of action arises in part within the local limits is not conclusive, and that, notwithstanding that the cause of action arises in part within the local limits, the Court may decline to give leave to sue".

"As regards the law of this Country, so far as we are aware, it has never been held the question of convenience is not a question which may be taken into consideration in dealing with applications under Clause 12, and we are certainly not prepared to hold that this question should be excluded from consideration".

(e) In National Westminster Bank Ltd., U.K. vs. M/s.Devraj Nensee and Company reported in (1997(1) LW 117), it has been observed by the Division Bench as:

"30. Even while granting leave, this Court is bound to consider the forum non-convenience. In paragraph-5 of the affidavit filed in support of the Applications, the second defendant has stated the reasons why the leave should not be granted. It is said therein that both the defendants are carrying on business outside India, and even the credit report was received in England, and all the documents pertaining to the correspondence are in England. The defendants are also permanent residents of England, and even as against the first defendant, liquidation proceedings are pending only in England. If the second defendant is asked to contest the suit before this Court, naturally, it will be put to great difficulties. Taking into consideration these facts also, we feel that this is a fit case where leave to sue as against the second defendant has to be revoked."

(f) In Parameswari Veluchamy and two others vs. R.T.Jayaraman and seven others reported in 2002(1) CTC 134, it was observed by the Division Bench, ".....Moreover, considerations of convenience are very germane while determining the question of grant, refusal or revocation of leave. Almost all the properties, the documents relating thereto and the witnesses who have knowledge of the same are outside the city of Madras."

(g) In M/s.Murthy Hosiery Mills, represented by its Managing Partner, Miller R.T.Murthy and another vs. The State Bank of India reported in (2011) 3 LW 376), the Division Bench referred to the Judgement of Honourable Supreme Court in Kusum Ingots and Alloys Ltd., vs. Union of India and another (2004) 6 SCC 254 = 2004-4-L.W 310), wherein it was held that even if it was found that part of cause of action has arisen within the jurisdiction of the Court, the Court may refuse to exercise its discretionary jurisdiction on the

principle of 'forum conveniens'.

38. Learned counsel concluded by submitting that even if the doctrine of forum conveniens is understood in the private international law context, it may not strictly apply in domestic context, the principle and consideration relevant under the doctrine are necessarily to be applied, while determining whether to grant or revoke leave under Clause 12 of the Letters Patent. This is because the consideration whether it is an appropriate court is necessarily relevant while exercising the discretion and the expression may be used differently, but the principle may really be forum conveniens.

39. We have given considerable thought to the matter in question, especially considering its larger ramifications. The divergence of views in this Court following different lines of case law has resulted in multiple case law on both sides. However, in order to truly appreciate the controversy, it would be appropriate to get back to the genus of the problem. In that context, our answers to the questions of law framed are set out hereinbelow.

I. "Whether the situs of the Trade Mark Registry in Chennai and the name being on its register would itself give rise to cause of action to institute a suit in the Madras High Court?"

40. A cause of action consists of a bundle of facts. The judgment Shiv Bhagwan Moti Ram Saroji's case (supra) has correctly emphasised the duty of the Court to ascertain what facts constitute the cause of action. For example, the cause of action is the existence of a property in case of a partition suit and thus, its location must be considered in order to determine the jurisdiction of the Court. In case of an immovable property, its existence would be an essential part of cause of action and thus, if the same is situated within the jurisdiction of a particular Court, a part of cause of action would certainly arise within the jurisdiction of that Court.

41. The right of a plaintiff to a registered trade mark is a proprietary right and therefore, it is property (S.B.S. Jayam and Co.'s case (supra)). It is capable of being transferred under the provisions of the Act and is a movable property as per the definition under Section 3(36) of the General Clauses Act. The principal seat of the Trademarks Registry is at Mumbai and the Register of Trademarks is also maintained at the same place. However, there are branch offices, including one at Chennai, where in the present case, the trademark of the plaintiff came to be registered. The first question thus raised in this context is, whether such registration itself would give rise to a cause of action to institute the suit in this Court?

42. The first line of case law discussed in paragraph 10 aforesaid enumerated from Herald Charles Pinto's case (supra), gives an affirmative answer to this question predicated on a reasoning that the plaintiff has to establish his proprietary right in the trademark which is alleged to have been infringed, which can only be done by showing that it is registered with the Registrar of trademarks at Chennai. The right for interest in the trademark, which is a movable property, has thus been held to have come into being at Chennai and in an infringement action qua the trademark, the failure to establish this fact would be fatal (Premier Distilleries Pvt. Ltd. case (supra)). The second part of the reasoning also seeks to draw strength from the fact that any objection to registration was required to be filed at Chennai, as also any application for revocation thereof.

43. On the other hand, learned counsel for the respondents sought to question the very basis on which the judgment in S.B.S. Jayam's case (supra) was delivered, as it sought to follow the law laid down by the Hon'ble Supreme Court in R. Viswanathan's case (supra), but in his opinion, did not correctly appreciate the ratio of the judgment of the Supreme Court. The reason for this submission is that the situs of the movable property in that case, dealt with shares and thus, it was the registered office of the company and thus, an artificial legal fiction long established in common law principles in case of shares to determine its location for purpose of taxation was applied. However, there was no need to resort to this legal fiction, as an intangible property, by its very nature, cannot be said to exist in any particular jurisdiction of the Court. The provisions of the Trademark Act, more specifically Section 134(2) itself clarified where the suit would lie. The Certificate of Registration of Trademark is always issued by the Trademarks Registry, Mumbai, which is the head office and only a copy of the Register of Trademarks is kept at the branch offices of the Trademark Registry. Thus, in the absence of any other connection between the Court and the parties, the civil suit for infringement of trademark would be filed at Mumbai!

44. We are in agreement with the submission for the learned counsel for the respondents that the mere registration of the trademark at Chennai would not create the complete cause of action at Chennai. The registration of the mark is a fact, but cause of action would consist of a bundle of facts. Thus, more than one fact would have to be taken into account to determine the location of a particular trademark which connects the trademark to the place.

45. We do believe that the course of action suggested by the learned counsel for the respondents of applying the "connecting factors" test as enunciated in Canda vs. Folster's case (supra) would be the appropriate course of action. In terms of the said

pronouncement, the weight given to each factor should be related to the purpose for which the situs was being determined and thus, mere registration of a trademark at a particular place would not be finally determinative of the situs of the trademark. The situs would depend upon the facts of each case and the factor that connect the trademark to that place.

46. We are fortified in our view keeping in mind the observations of the learned single Judge in *St. Ives Laboratory Inc.'s case* (supra) that mere registration of trademark in Delhi could not be a ground for invoking the jurisdiction of the Delhi High Court as the trademarks did not allow registration of a trademark within the jurisdiction of a Court to be a ground for filing in that Court and thus, the registration could at best be construed to be part of cause of action, but would be insufficient to grant leave to institute the suit before the Court. We agree with the proposition.

47. If we look at the provisions of Section 134 of the Trade Marks Act, they seek to carve out an exception to the principles enunciated to the Exception to Section 20 of the Code of Civil Procedure, to the extent by giving an advantage to the plaintiff to have the right to sue at the place of its location or where it carries on business. This is a provision beneficial to the plaintiff. The scope of the Section cannot be expanded to give benefits to the plaintiff in matters of institution of suit which have not been conferred by the legislature. There is no conferment of rights on the basis of where the trademark is registered and if the legislative intent was so, it would have been accordingly provided.

48. Learned counsel for the respondents also thus rightly emphasised the very fundamental of an infringement action, i.e., the right of the public to be free from confusion, apart from the synonymous right of the owner to control his product's reputation. Thus, the trademark law seeks to protect principally the consuming public from confusion, concomitantly protecting the trademark owner's right to a non-confused public.

49. We thus conclude on this question by observing that the fact that the situs of the registration of trademark is with the Trademark Registry at Chennai by itself would not be sufficient to give rise to cause of action to institute the suit in the Madras High Court, though it may be a factor to be taken into account, among the bundle of facts, for purposes of determining the situs of the cause of action. The legal view to the contrary expressed in the various judgments referred to by the learned counsel for the appellant thus stands over-ruled.

II. "Whether the principles of forum conveniens or analogous principles apply to consideration of an application for leave to sue

under Clause 12 of the Letters Patent in case part of cause of action arises at Chennai?"

50. Insofar as the second question is concerned, we have already observed in paragraph 21 aforesaid that learned counsel for the parties are ad idem that in matters of grant of leave under Clause 12 of the Letters Patent, the principles of forum conveniens would be applicable. It is trite to say that the principles of forum conveniens really have no application to civil proceedings governed by the Code of Civil Procedure and are applicable primarily to foreign forums (Horlicks case and Abdul Gafur's case supra).

51. A number of judgments were cited in the context of Section 62 of the Copyright Act, which gave the discretion to the litigant to decide the forum, including of this Court in Brooke Bond (India) Ltd. case (supra). Interestingly, this very Court in Glaxo Operations U.K. Ltd. (supra) observed that the expression "carrying on business" is too wide to embrace the branch or branches where business activities are carried on. The jurisdiction of the Court under Section 20 of the Code of Civil Procedure is different from the jurisdiction under Clause 12 of the Letters Patent. In a proceeding under Clause 12 of the Letters Patent, the plaintiff does not have an absolute right to bring proceedings in the High Court and can only do so with the prior leave of the Court (Food Corporation of India case (supra)). Thus, what is to be seen in case of grant or refusal of leave or revocation of leave is the convenience of the parties or appropriateness of the jurisdiction. Balance of convenience was considered to be material for exercise of discretion under Clause 12 of the Letters Patent and thus, steps have been enunciated by the Calcutta High Court in Madanlal Jalan's case (supra).

52. A number of relevant passages from different judicial pronouncements on the principles of forum conveniens were referred to, which have been enunciated in paragraph 37 aforesaid. The principle of balance of convenience has been held to be an expansion of the doctrine of forum conveniens. In Seshagiri Row's case (supra), this Court held that having regard to the wordings of Clause 12 of the Letters Patent, despite part of cause of action arising within the local limits, the Court may decline leave to sue. The question of convenience could not thus be excluded from consideration.

53. In the aforesaid context, in Horlicks Ltd. case (supra), it has been rightly observed that it is appropriateness or suitability of forum which is the test while deciding the question of forum conveniens and thus, a plaintiff does not have an absolute right to bring proceedings in High Court and can do so only with the prior leave of the Court. Thus, the mere fact that a part of cause of action has arisen within the jurisdiction of the Court itself may not be considered to be a determinative factor, compelling the Court

to decide the matter on merits. The convenience of all the parties has to be seen (India TV Independent News Service Pvt. Ltd. case (supra)).

54. In paragraph 31 aforesaid, three situations have been set out which arise for grant of leave arising out of a trademark infringement. In two eventualities, the question of obtaining prior leave would not arise, i.e., when the plaintiff resides within the jurisdiction of the Court, benefit conferred by Section 134(2) of the Trade and Merchandise Marks Act, 1958 and when the defendant resides within the jurisdiction of the Court. It is in the third eventuality which is material for the controversy. On the plea of the appellant that the situs of the Trademark Registry within the jurisdiction of the Court would give a part of cause of action on the issue of registration of the trademark alone being sufficient, we have already given a finding under the first question of law aforesaid. Thus, a bundle of facts would determine whether the cause of action has arisen qua the trademark infringement within the jurisdiction of the Court.

55. We may add that a Division Bench of this Court comprising two of us (S.K.K.,CJ. and M.S.N.,J.) had an occasion to examine the applicability of the principles of forum conveniens in a case of writ proceedings in Bharat Bhogilal Patel and others vs. Union of India and others reported in (2014) 7 M.L.J. 641). In the context of that judgment, we referred to the decision of a five judges' bench of the Delhi High Court in Sterling Agro Industries Ltd. vs. Union of India reported in (A.I.R. 2011 Delhi 74), which had gone into the doctrine of forum conveniens vis-a-vis the concept of cause of action. In the context of that judgement, it was observed in Sterling Agro Industries Ltd. case (supra) as under :-

"The concept of forum conveniens fundamentally means that it is obligatory on the part of the Court to see the convenience of all the parties before it. The convenience in its ambit and sweep would include the existence of more appropriate forum, expenses involved, the law relating to the lis, verification of certain facts which are necessitous for just adjudication of the controversy and such other ancillary aspects. The balance of convenience is also to be taken note of. The principle of forum conveniens in its ambit and sweep encapsulates the concept that a cause of action arising within the jurisdiction of the Court would not itself constitute Court to entertain the matter. While exercising jurisdiction under Articles 226 and 227 of the Constitution of India, the Court cannot be totally oblivious of the concept of forum conveniens."

The conclusion thus arrived at was that the principles of forum

conveniens, though applicable to the international law as a principle of Comity of Nations, would apply to the discretionary remedy under Article 226 of the Constitution of India.

56. In yet another decision in Fathima Bathool vs. M.M. Zulaiha 2014 (6) C.T.C. 241, a Division Bench of this Court comprising two of us (S.K.K.,CJ. and M.S.N.,J.) had occasion to consider an identical issue. In the aforesaid case, the leave to sue was revoked on the basis that a major portion of the suit properties was situated outside the jurisdiction of the High Court. Applying the principles of forum conveniens, it was held that since the parties/witnesses who had knowledge with regard to certain transactions alleged in the plaint would have to be examined and who were also ordinarily residing in Tuticorin, the suit should be instituted in the Court of local jurisdiction.

57. There is little doubt that the principles of forum conveniens, though not applicable to civil proceedings, have a role to play insofar as the consideration of grant of leave or revocation thereof under Clause 12 of the Letters Patent is concerned. This is irrespective of the fact as to what expression is used. As observed aforesaid, the balance of convenience is also forum conveniens. The test applied is of appropriateness or suitability of the forum which ought to apply, whether it be called forum conveniens or that the jurisdiction of the Court under Section 20 of the Code of Civil Procedure is different from Clause 12 of the Letters Patent (Food Corporation of India case (supra)).

58. We are thus of the view that in considering an application for grant of leave or revocation thereof, the appropriateness or suitability of the forum would be material and to that extent, principle akin to forum conveniens would apply.

59. We thus answer the second question also accordingly.

60. In view of our aforesaid conclusions, the reference is answered. The file may be placed before the Division Bench for proceeding further in the matter.

Sd/-
Assistant Registrar (CS-IV)

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Sub Assistant Registrar

ksr/ab

To

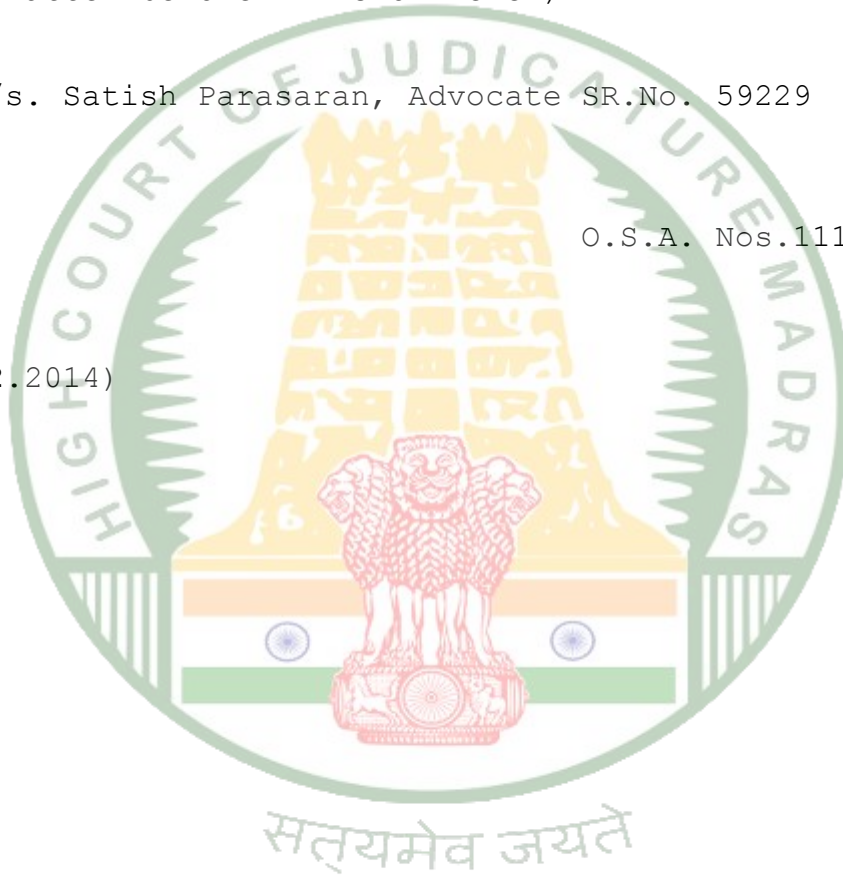
1. The Sub Assistant Registrar,
Original Side,
High Court, Madras - 104.

2. The Sub Assistant Registrar,
Judicial Section,
High Court, Madras.
(Post the matter before Division Bench)

1 CC to M/s. Satish Parasaran, Advocate SR.No. 59229

O.S.A. Nos.111 and 112 of 2008

GP (CO)
PSI (20.12.2014)



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