

IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
ORDINARY ORIGINAL CIVIL JURISDICTION  
APPEAL NO.340 OF 2015  
IN  
LEAVE PETITION NO.286 OF 2013  
IN  
SUIT NO.674 OF 2014

1. M/s.Harman Overseas, a Partnership Firm )  
Registered under the Partnership Act, 1932 )  
Having address at 2400, II Floor, )  
Ramnath Building, Farskhana Chowk, )  
Behind G.B. Road, Delhi, Pin – 110 006. )
2. Mr.Harman Deep Jagteshwar Singh, )  
Partner of M/s.Harman Overseas, )  
a Partnership Firm Registered under the )  
Partnership Act, 1932, having address )  
at 2400, II Floor, Ramnath Building, )  
Farskhana Chowk, Behind G.B. Road, )  
Delhi, Pin – 110 006. )
3. Mrs. Inderjeet Jagteshwar Singh, )  
Partner of M/s. Harman Overseas, )  
a Partnership Firm Registered under the )  
the Partnership Act, 1932, having address )  
at 2400, II Floor, Ramnath Building, )  
Farskhana Chowk, Behind G.B. Road, )  
Delhi, Pin – 110 006. )
4. Mr. Jagteshwar Singh, )  
having address at II Floor, )  
Ramnath Building, G.B. Road, )  
Delhi, Pin – 110 006. ).. Petitioners

Versus

1. Dongguan TR Bearing Company Limited, )  
Having its registered address )  
at Guan Tai Road, Dongguan City, )  
Guandong, China. )

2. NBU Bearing Private Limited, )  
 having its office at 12, )  
 Narayan Dhuru Cross Lane, 3<sup>rd</sup> Floor, )  
 Office No.25, Mumbai – 400 003. ).. Respondents

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Dr.Birendra Saraf along with Shri Himanshu Kane, Ms. Pooja Kshirsagar and Shri Nikhil Sharma i/b M/s.W.S.Kane & Co for the Appellants.

Dr.Veerendra Tulzapurkar, Senior Counsel along with Shri Amit Jamsandekar, Ms. Alka Parelkar & Ms.Esha Trivedi i/b M/s.VA. Associates for the Respondents.

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APPEAL NO.95 OF 2015  
 IN  
 LETTERS PATENT LEAVE PETITION NO.306 OF 2014  
 IN  
 SUIT (LODGING) NO.1067 OF 2014

INTAS PHARMACEUTICALS LIMITED, )  
 A company registered under the )  
 Companies Act, 1956 and having )  
 its place of business at Matoda – 382 210 )  
 Ahmedabad. ).. Appellant

Vs

1. INDICHEMIE HEALTH SPECIALITIES )  
 PRIVATE LIMITED, )  
 a company registered under the )  
 Companies Act, 1956 and having its )  
 place of business at 510, )  
 Shah & Nahar Industrial Estate, )  
 Dr. E. Moses Road, Worli Naka, )  
 Mumbai – 400 018. )
2. SAAR BIOTECH, )  
 A concern having its address at NH-21A, )  
 Bhud, Baddi, Dist: Solan (HP)-173 250. ).. Respondents

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Shri Venkatesh Dhond, Senior Counsel along with Shri Rashmin Khandkar, Shri Aadesh Nargolkar, Shri Shailendra Bhandare and Shri Vaibhav Keni i/b M/s. Khaitan & Co for the Appellant.

Shri Mahesh Mahadgut along with Shri Hiren Kamod and Poonam Teddu i/b Mahesh Mahadgut for the Respondents.

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APPEAL NO.387 OF 2015  
IN  
LEAVE PETITION NO.320 OF 2013  
IN  
SUIT NO. 42 OF 2014

|                                             |     |                 |
|---------------------------------------------|-----|-----------------|
| Dalmia Cement Bharat Limited.               | )   |                 |
| having its registered office address        | )   |                 |
| at 101, Embassy Square, 148, Infantry Road, | )   |                 |
| Bangalore 560001.                           | ).. | Appellant       |
|                                             |     | (Org.Defendant) |

Vs

|                                                     |     |                  |
|-----------------------------------------------------|-----|------------------|
| 1. Ultratech Cement Limited,                        | )   |                  |
| a company incorporated under the                    | )   |                  |
| Companies Act, 1956, having its                     | )   |                  |
| registered office at Ahura Centre,                  | )   |                  |
| B Wing, 2 <sup>nd</sup> Floor, Mahakali Caves Road, | )   |                  |
| Andheri (E), Mumbai – 400 093.                      | )   |                  |
| 2. Grasim Industries Limited,                       | )   |                  |
| a company incorporated under the                    | )   |                  |
| Companies Act, 1956, having its                     | )   |                  |
| Corporate Office at Aditya Birla Centre,            | )   |                  |
| C Wing, S.K.Ahire Marg, Worli,                      | )   |                  |
| Mumbai – 400 030.                                   | ).. | Respondents      |
|                                                     |     | (Org.Plaintiffs) |

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Shri Ravi Kadam, Senior Counsel along with Shri Venkatesh Dhond, Senior Counsel with Shri Rashmin Khandkar, Shri Rohan Kadam and Ms. Bijal Trivedi i/b Ms.Bhagwati Trivedi for the Appellant.

Dr.Veerendra Tulzapurkar, Senior Counsel along with Shri Amit Jamsandekar, Ms. Alka Parelkar & Ms.Esha Trivedi i/b M/s.VA. Associates for the Respondents.

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CORAM : A.S. OKA &  
SMT.ANUJA PRABHUDESSAI, JJ

DATE ON WHICH SUBMISSIONS WERE HEARD : 23RD DECEMBER 2016

DATE ON WHICH JUDGMENT IS PRONOUNCED: 4TH AUGUST 2017

JUDGMENT: ( PER A.S. OKA, J )

1. Appeal No.340 of 2015 has been preferred by the Defendants in Suit No.674 of 2014 for challenging the order dated 27<sup>th</sup> April 2015 granting leave under Clause XIV of the Letters Patent.

2. Appeal No.95 of 2015 has been preferred by the first Defendant for challenging the order dated 14<sup>th</sup> January 2015 granting leave under Clause XIV of the Letters Patent in Suit (L) NO.1067 of 2014.

3. Appeal No.387 of 2015 has been preferred by the Defendant in Suit No.42 of 2014 by which the order dated 29<sup>th</sup> January 2015 passed by the learned Single Judge is impugned. By the said order, leave under Clause XIV of the Letters Patent was granted.

**FACTS OF APPEAL NO.340 OF 2015**

4. A brief reference to the facts of the case will be necessary. For the sake of convenience, we are referring to the parties to the Appeals according to their status before the learned Single Judge. In Appeal No.340 of 2015, by the Judgment and Order impugned, the learned Single Judge has permitted joinder of cause of action of passing off of the trade mark with the cause of action for infringement of a registered trade mark. The cause of action of passing off of the trade mark has arisen outside the limits of Mumbai.

5. The first Plaintiff claims to be a registered Proprietor of the trade mark “TR” in respect of the goods specified in Clause 7 of Schedule IV to the Trade Mark Rules, 2002. The first Plaintiff has claimed in the suit that it has been extensively using trade mark since the year 1980 in India in respect of its products. According to the case of the Plaintiffs, the second Plaintiff is the sole Distributor of the first Plaintiff for its goods bearing the mark “TR”. According to the case of the Plaintiffs, the first Plaintiff has duly authorized the second Plaintiff to use the trade mark TR in India.

6. It is stated in the Plaint that some time in the beginning of January 2013, they became aware about the activity of the Defendants

of manufacturing, marketing, selling or distributing comparable goods under the mark/label TR which is identical or deceptively similar to the registered trade mark of the Plaintiffs. The case made out in the Plaint is that the action of the Defendants of adoption and use of the mark/label TR is dishonest. It is their case that such adoption and use of the mark/label TR by the Defendants constitutes not only an infringement of the Plaintiffs' trade mark but also amounts to passing off of the Defendants' goods as those of the Plaintiffs.

7. According to the case made out in the Plaint, the first Plaintiff is based in China but carries on business in Mumbai through its exclusive distributor- the second Plaintiff. It is stated that the second Plaintiff has its address within the Original Jurisdiction of this Court and the second Plaintiff has been authorized by the first Plaintiff to use its registered trade mark. Therefore, the Plaintiffs have brought the suit on the Original Side of this Court seeking an infringement action in respect of their registered trade mark. The Plaintiffs prayed for grant of a leave under Clause XIV of the Letter Patent to permit them to combine the cause of action of passing off with the causes of action for infringement. A separate leave Petition was filed by the Plaintiffs in which it was contended that though the Defendants carry on business and sell the alleged offending goods outside the Original Jurisdiction of this Court, the evidence relating to the cause of action of passing off

and the evidence relating to the causes of action for infringement would be common. That is the reason why a leave was claimed under Clause XIV of the Letters Patent. There were separate affidavits-in-reply filed by the Defendants. A detailed affidavit-in-reply was filed by the fourth Defendant which was adopted by the other three Defendants by filing their affidavit-in-reply. The fourth Defendant denied the factual contentions raised by the Plaintiffs. It was contended that there is no material placed on record to show that the second Plaintiff is a Distributor much less an exclusive Distributor of the first Plaintiff. It was submitted that the first Plaintiff and the second Plaintiff have failed to prove the nexus with each other. It was submitted that mere alleged fact of distributorship is not sufficient for the Plaintiffs to invoke the Original Jurisdiction of this Court under Section 134 of the Trade Marks Act, 1999 (for short “the Trade Marks Act”). It was submitted that the cause of action for filing an action for infringement has not arisen within the Ordinary Original Civil Jurisdiction of this Court and, therefore, a leave under Clause XII of the Letter Patent cannot be granted.

#### **FACTS OF APPEAL NO.387 OF 2015**

8. In Appeal No.387 of 2015, the Original Defendant has taken an exception to the order dated 29<sup>th</sup> January 2015 passed by the learned Single Judge granting leave under Clause XIV of the Letters

Patent. The first Plaintiff is a subsidiary company of the second Plaintiff. It is claimed that the Plaintiffs are the registered proprietors of various trade marks bearing the name "UltraTech" as a part of their trade marks. The suit relates to 9 trade marks mentioned in Paragraph 8 of the Plaint. The first Plaintiff is a registered proprietor of the trade marks listed at serial nos.2 to 7 and the second Plaintiff is a registered proprietor of the trade marks listed at serial nos.1, 8 and 9. All these trade marks contain the words "Ultra Tech" or "Ultra" as part of them. According to the case of the Plaintiffs, by a Deed of Assignment dated 30<sup>th</sup> September 2009, the trade marks containing the words "UltraTech" and "Ultra" standing in the name of the first Plaintiff were assigned by the first Plaintiff in the name of second Plaintiff along with the goodwill of the business concern. Reliance is also placed on the License Agreement dated 29<sup>th</sup> June 2011 under which the second Plaintiff has permitted the first Plaintiff to use the trade marks with the words "UltraTech" and "Ultra". The case made out in the Plaint is that the Defendant started using a trademark containing the word "Ultra". It is contended that the words "UltraTech" and "Ultra" are the essential and prominent features of the trade marks bearing the word "UltraTech". It is alleged that the use of the Defendant of a trade mark containing the word "Ultra" amounts to an infringement of "UltraTech" trade marks. It is contended in the Plaint that as the Plaintiffs are carrying on business in Mumbai, in view of Sub-section (2) of Section 134 of the Trade

Marks Act, this Court has Original Jurisdiction in respect of the cause of action of infringement. It is alleged that by means of use of trade marks with the word “Ultra” as a part of it, the Defendant is passing off its goods as the goods of the Plaintiffs. Therefore, a prayer was made for grant of leave under Clause XIV of the Letters Patent for clubbing the cause of action of passing off.

9. By way of reply to the Petition for grant of leave under Clause XIV of the Letters Patent, the contention of the Defendant is mainly that this Court does not have jurisdiction in respect of the cause of action of infringement and, therefore, there is no question of grant of a leave under Clause XIV of the Letters Patent.

#### **FACTS OF APPEAL NO.95 OF 2015**

10. As far as the Appeal No.95 of 2015 is concerned, the Appellant/the Original first Defendant has taken an exception to the order dated 14<sup>th</sup> January 2015 passed by the learned Single Judge of this Court granting leave under Clause XIV of the Letters Patent. The Plaintiff in the said suit claims to be a registered proprietor of the trade mark “CHERI” in Class 5 in respect of pharmaceutical preparations. The allegation in the Plaint is that the Defendants have been using an identical mark/deceptively similar mark with an addition of a word namely, “MULTI CHERRY”. The case made out in the Plaint is that such

use by the Defendants not only amounts to infringement of the registered trade marks of the Plaintiffs but results into a passing off of the Defendants' goods as the goods of the Plaintiffs. It is claimed that as the Plaintiff is carrying on business in Mumbai, in view of Section 134 of the Trademarks Act, the Plaintiff is entitled to file the present suit for infringement within the Original Jurisdiction of this Court. A prayer is made for grant of leave under Clause XIV of the Letters Patent for clubbing the cause of action of passing off with the first cause of action.

11. In the reply filed by the Defendants to the Petition for grant of leave under Clause XIV of the Letters Patent, the Defendants have contended that the suit for infringement as framed is ex facie not maintainable. Secondly, it is contended that this Court has no jurisdiction to entertain the suit based on cause of action for infringement.

#### QUESTIONS INVOLVED

12. The controversy involved in these Appeals is more or less common. The question is what is the scope of adjudication which is required to be made by the Court while dealing with the Application/Petition for grant of leave under Clause XIV of the Letters Patent. The question is whether the defence of the Defendants to such Application needs to be considered or the Court must proceed on the

basis of the averments made in the Pleint on the basis of demurer. The third question is when the Plaintiffs claim that this Court has jurisdiction to entertain one cause of action and the Defendants claim that this Court has no jurisdiction to entertain even the said cause of action, whether the Court should decide the issue of jurisdiction whilst deciding the prayer for the grant of Leave under Clause XIV. The last question will be whether on merits, the learned Single Jude was justified in granting leave under Clause XIV.

#### SUMMARY OF SUBMISSIONS

13. The learned Counsel appearing for the Appellants in these Appeal has taken us through the pleadings of the parties and the impugned orders. The learned senior counsel for the Appellants in Appeal No.340 of 2015 has invited our attention to the averments made in Paragraph 38 and Paragraph 1 of the Pleint. The learned Counsel contended that the condition precedent for grant of leave under Clause XIV is that this Court should have the Original Jurisdiction in respect of one cause of action. He, therefore, submitted that as this Court has no jurisdiction to entertain the suit seeking action for infringement of the registered trade mark, the learned Single Judge had no jurisdiction to grant leave under Clause XIV of the Letters Patent. He relied upon a decision of the Division Bench of this Court in the case of *Gold Seal Engineering Products Pvt. Ltd. & Ors. v. Hindustan*

**Manufacturers & Ors. (D.B.)**<sup>1</sup>. The submission is that there is a difference between the power which the Court exercises while granting leave under Clause XII and while granting leave under Clause XIV of the Letters Patent. The contentions raised by the Defendants by way of reply have to be considered before granting leave. The learned counsel relied upon a decision of the learned Single Judge of this Court in the case of **Jagdish Gopal Kamath Vs Lime and Chilli Hospitality Services (P) Ltd.**<sup>2</sup>. He submitted that the learned Single Judge seems to have applied the principles governing grant of leave under Clause XII while considering the Application under Clause XIV. He submitted that Clause XII does not contemplate of giving a notice of the Application seeking leave under the said Clause. On the other hand, under Clause XIV, issuance of notice is made mandatory. Therefore, while contesting the Application seeking leave under Clause XIV, the Defendants can raise all permissible defences which are required to be considered by the Court. It is submitted that the Petition seeking leave under Clause XIV of the Letters Patent cannot be allowed only on the basis of the demurer. He submitted that if the said view is accepted, the provision regarding giving notice of the Application seeking leave to the Defendants would become redundant. He relied upon a decision of this Court in the case of **I.C.I.C.I. Limited v. Sri Durga Bansal Fertilizers Ltd. & Ors.**<sup>3</sup>.

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1 Appeal No.505 of 1992 decided on 10<sup>th</sup> June 1994

2 2013(4) Mh.LJ 627

3 1999(4) Bom.C.R. 305

14. He submitted that an inquiry while deciding the Petition seeking leave under Clause XIV of the Letters Patent is not restricted to the averments made in the Plaint. The inquiry will have to be in terms of the parameters laid down in the case of *Jagdish Gopal Kamath*.

15. It is submitted that while dealing with an Application under Clause XIV of the Letters Patent, the inquiry must travel beyond the Plaint. Though a final determination of any issue may not be contemplated at the stage of consideration of Clause XIV application, yet the inquiry cannot be based merely on demurer as held by the learned Single Judge in the impugned order. The submission is that Rule 11 of Order VII of the Code of Civil Procedure, 1908 (for short “the said Code”) has nothing to do with the inquiry contemplated by Clause XIV of the Letters Patent. It was submitted that the decision of the Division Bench in the case of *Tukojirao Holkar v. Sowkabei Pandharinath Rajapurkar*<sup>4</sup> will not apply to the facts of the case.

16. The submission of the learned counsel appearing for the Appellants is that the Respondents/Plaintiffs are not entitled to invoke jurisdiction of this Court under Sub-section (2) of Section 134 of the Trade Marks Act. Reliance is placed on the decision of the Apex Court in the case of *Indian Performing Rights Society Limited v. Sanjay*

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4 AIR 1926 Bombay 100

***Dalia and Another***<sup>5</sup>. The submission is that Section 134 of the Trade Marks Act does not give absolute right to the registered proprietors to drag the Defendants to their choice of jurisdiction and make provisions of the said Code redundant. He relied upon what is held in paragraphs 12, 17 to 20 and 23 and 24 of the said decision in the case of ***Indian Performing Rights Society Limited v. Sanjay Dalia and Another***.

17. It is further contended that only a registered proprietor or a registered user has a right to sue for infringement and even a permitted user cannot sue for infringement. Reliance is placed on Section 53 of the Trade Marks Act. While dealing with the interpretation of the provision of Section 134 of the Trade Marks Act, reliance is placed on a decision of the Apex Court in the case of ***State of Madhya Pradesh v. Narmada Bachao Andolan and Another***<sup>6</sup>. It was submitted that the finding of the learned Single Judge on interpretation of Section 134 of the Trade Marks Act is erroneous as the first Respondent (first Plaintiff) who claims to be a registered proprietor admittedly has no office in Mumbai and the second Respondent is neither registered proprietor nor registered user and is not entitled to maintain a suit for infringement. Therefore, Section 134 of the Trade Marks Act could not have been invoked.

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5 AIR 2015 SC 2479

6 (2022)7 SCC 639

18. Further submission of the learned counsel appearing for the Appellants is that the reliance placed by the learned Single Judge on the decision in the case of *Expfar Sa Vs. Eupharma Laboratories Ltd.* is completely erroneous. The Apex Court held that when an objection is raised by way of demurer to the jurisdiction of this Court and not by way of trial, then the Court should proceed on the basis of the facts pleaded in the Plaint. The other submission is that some of the observations made in the decision in the case of *Expfar Sa Vs. Eupharma Laboratories Ltd.* are no longer valid in the subsequent decision in the case of *Indian Performing Rights Society*.

19. It was further submitted on the basis of the averments made in the Plaint that this Court has no jurisdiction to entertain the suit based on even the first cause of action. Lastly, it was submitted that grant of leave is always a discretion of the Court. It was pointed out that the issue of jurisdiction under Section 9A of the said Code has been already framed, but the same is not being heard. On facts, it is submitted that the discretion ought to have been exercised in favour of the Defendants by not granting leave under Clause XIV of the Letters Patent.

20. The legal submissions made across the bar in other two Appeals are more or less similar. Their submission is that the learned Single Judge had ex-facie no jurisdiction to entertain the suits based on the first cause of action. In these other two Appeals also, learned counsel appearing for the Appellants placed reliance on various decisions. Reliance is placed on a decision of the learned Single Judge of this Court in the case of *Jagdish Gopal Kamath and Others v. Lime and Chilli Hospitality Services P. Ltd.* One of the submissions canvassed was that when an Application for grant of leave under Clause XIV of the Letters Patent is opposed by the Defendants by filing a reply, consideration of facts stated in the reply is necessary. Moreover, it is necessary to examine whether the Court has jurisdiction to entertain the suit based on the first cause of action. The submission is that if ex facie, the Court has no jurisdiction to entertain the suit based on the first cause of action, grant of leave under Clause XIV of the Letters Patent will be an abuse of the process of law. The Submission in short is that an Application for leave under Clause XIV cannot be decided on demurer. The submissions have been made on facts as to how the leave has been erroneously granted.

21. The learned counsel appearing for the Respondents/Original Plaintiffs have also made a detailed submissions. One of the submissions is that even if the leave is granted under Clause

XIV of the Letters Patent, issue of jurisdiction of the Court to entertain the suit based on the first cause of action remains open. If after framing Preliminary Issue, the Court comes to a conclusion that it had no jurisdiction to entertain the suit based on the first cause of action, the Plaint will have to be returned. The learned counsel appearing for the Respondents has also relied upon various decisions to which we have made a reference in our judgment. The learned Counsel have justified the the findings recorded in the impugned order.

#### CONSIDERATION OF SUBMISSIONS

22. The first issue which arises for consideration is regarding the scope of adjudication while dealing with an application/petition for grant of leave under Clause XIV of the Letters Patent. For that purpose, it is necessary to refer to Clause XIV of the Letters Patent, which reads thus:

“XIV. Joinder of several causes of action.- 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 for trial of the same as to the said High Court shall seem fit.”

(underline added)

23. Clause XIV of the Letters Patent has to be compared with Clause XII of the Letters Patent, which reads thus:

“XII. Original jurisdiction as to suits.- And we do further ordain that the said High Court of Judicature at Fort William in Bengal [Madras] [Bombay], in the 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 or 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 that the said High Court shall not have such Original Jurisdiction in cases falling within the jurisdiction of the Small Cause Court at [Madras], [Bombay], Calcutta, in which the debt or damage or value of the property sued for, does not exceed one hundred rupees.”

24. A leave under Clause XII of the Letters Patent is required to be granted before a suit is registered. Therefore, there is no requirement of giving a notice of an Application seeking a leave under Clause XII of the Letters Patent to the Defendant. However, the Defendant can always apply for revocation of the leave. As far as an application seeking leave under Clause XIV is concerned, before grant of leave, there is a mandatory requirement of issuing a show cause notice to the Defendant and consequently of hearing the Defendant. The very fact that the Clause XIV of the Letters Patent provides for issuing a notice to

the Defendant shows that the Defendants have a right of hearing before the leave is granted.

25. In view of the language used by Clause XIV of the Letters Patent, if the Court has jurisdiction to entertain the suit based on one cause of action, only in that case, the question of grant of leave for clubbing another cause of action arises. If a Defendant contends that the Court has no jurisdiction to entertain the suit based on the first cause of action, the question is whether a final adjudication on the said issue can be made at the time of hearing of the Application under Clause XIV of the Letters Patent.

26. In a Civil Suit, the issue of jurisdiction can be decided only in the following manner:-

- (a) When at the time of hearing of an Application for grant of or setting aside an order of granting any interim relief whether by way of temporary injunction, appointment of a Court Receiver or otherwise, an objection to the jurisdiction of the Court is raised, Section 9A of the Code of Civil Procedure, 1908 (for short “the said Code”) mandates that the objection to the jurisdiction has to be finally decided at that stage ;

- (b) After filing of the written statement, if an issue of jurisdiction is framed, the Court may in its discretion can hear and decide it as a Preliminary Issue;
- (c) Such issue framed can be decided at the time of hearing of the suit along with other issues;
- (d) In normal course, the objection as regards the jurisdiction raised by the Defendants can be decided only after an issue to that effect is framed and that the question of framing the issue arises only after a written statement is filed. Section 9A of the said Code is an exception to the said general Rule. Where Section 9A is applicable, the issue of Jurisdiction is required to be decided even before filing of written statement;
- (e) When by taking the averments made in the Plaint as correct, the jurisdiction of the Court appears to be barred, the Plaint can be rejected at any stage of the suit;

27. There is no provision in the said Code or the High Court (Original Side) Rules, 1980 which warrants final determination of the issue of jurisdiction to entertain the suit based on the first cause of action when a reply is filed opposing the Application for grant of leave under Clause XIV of the Letters Patent. The issue of jurisdiction of the Court to entertain the suit based on the first cause of action cannot be finally decided even if by way of reply to the Petition seeking a leave under Clause XIV of the Letters Patent, the issue of jurisdiction is raised. The final adjudication on the issue of jurisdiction of the Court to entertain the suit at that stage is not permissible. In a given case, after noticing at the final hearing of the Petition seeking a leave under Clause XIV of the Letters Patent that one of the grounds under Rule 11 of Order VII of the said Code is attracted, the Court can very well take up for consideration the question whether the Plaint deserves to be rejected. The reason is that for considering the issue of rejection of the Plaint only the averments made in the Plaint are required to be seen and not the averments made in the Written Statement or other pleadings. Therefore, it follows that when a contention of lack of jurisdiction of this Court to hear the suit based on the first cause of action is raised at the time of hearing of the Petition for grant of a leave under Clause XIV, the issue cannot be decided at that stage. Even if eventually a leave under Clause XIV of the Letters Patent is granted, the issue of

jurisdiction always remains open. The grant of leave does not conclude the issue of jurisdiction. The issue of jurisdiction can be decided at an appropriate stage. If the Court holds that it did not have jurisdiction to entertain the suit based on the first cause of action, either the suit will have to be dismissed or the Plaint will have to be returned, depending upon the facts of the case.

28. Now, we deal with the second question as regards the scope of adjudication of the Petition seeking a leave under Clause XII of the Letters Patent. Various decisions have been relied upon by learned counsel appearing for the parties. A Division Bench of this Court in the case of *I.C.I.C.I. Limited v. Sri Durga Bansal Fertilizers Ltd. & Ors.* was dealing with an issue of jurisdiction raised in the Chamber Summons taken out for revoking leave granted under Clause XII of the Letters Patent. In Paragraph 10, the Division Bench held thus:

“10. Under these circumstances, we are of the considered view that when question about the territorial jurisdiction is raised either in an application seeking revocation of leave under Clause XII of the Letters Patent or on an application under section of the Code of Civil Procedure, the appropriate procedure to follow is to finally decide the said question by giving opportunity to the parties, if facts and circumstances of the case so require, to lead evidence. Such a course would avoid multiplicity of proceedings and would also be in consonance with the provisions of section and/or Order XIV, Rule [2](#) of the Code of Civil Procedure and Clause XII of the Letters Patent. It would also avoid examination of the same question twice over. It is,

however, a different matter if the parties agree that for all purposes, the question of jurisdiction may be decided only prima facie and that it should be left to be finally determined at the trial of the suit along with the other issues on merits. As already noticed, in the present case, such a concession was not forthcoming from the defendants.”

This decision is confined to Clause XII of the Letters Patent.

29. There is an old decision of this Court in the case of *Tukojirao Holkar v. Sowkabai Pandharinath Rajapurka*. The said decision was dealing with the issue of grant of leave under Clause XIV of the Letters Patent. The view taken by the Division Bench is that after a leave under Clause XIV of the Letters Patent is granted, it is open for the Defendant at the trial to raise a plea of want of jurisdiction. Another decision of a Division Bench of this Court is in the case of *M/s.Arte Indiana v. M/s. P.Mittulaul Lalah & Sons & Ors.*<sup>7</sup> In Paragraph 3 of the said decision, while dealing with Clause XIV of the Letters Patent, the Division Bench observed thus:

“3. ...A bare reading of the aforesaid clause shows that the accrual of the cause of action within the territorial jurisdiction of this Court is not contemplated to permit joinder of causes of action. Clause 14 only contemplate that this Court shall have Original Jurisdiction in respect of one of such causes of action to permit two separate causes of action being combined together in one suit. The learned Single Judge has, however, come to the conclusion that if right to sue has been conferred by an act of Parliament and it is because of conferring of such right that a suit can be maintained, then it cannot be said that the right

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<sup>7</sup> 101(3) Bom.L.R. 188

to sue is pursuant to Ordinary Original Jurisdiction of this Court as conferred by the Letters Patent. It has been also observed that the expression "original jurisdiction" has been used to distinguish it from the extra ordinary jurisdiction conferred by Clause 13 of the Letters Patent.

The aforesaid are the brief facts under which the present appeal has been preferred by the appellant. We may now notice some judgments relevant for decision of the point in issue. A Division Bench of this Court in *Tukojiro Holkar v. Sowkabei*, reported in, while considering Clauses 12 and 14 of the Letters Patent and the provision of Order 2, Rule 3 and 4 Civil Procedure Code, has held that what is relevant is that one cause of action is within the jurisdiction of this Court. In the present case, cause of action in relation to infringement of copyright is admittedly within the jurisdiction of this Court.”

(underline supplied)

The Division Bench also dealt with the distinction between the extra-ordinary jurisdiction and ordinary jurisdiction. An argument which was canvassed was that this Court will have the Original Jurisdiction only in respect of the cases as contemplated by Clause XII of the Letters Patent and other cases would not be within the Original Jurisdiction of the Court. The said contention was rejected by the Division Bench and it was held that even the jurisdiction under the Companies Act or Banking Companies Act falls within the ambit of ordinary original civil jurisdiction. The Division Bench held that a suit complaining of violation of Copyright under the Copyright Act, 1957 fell within the purview of the Ordinary Jurisdiction and not Extra-ordinary Jurisdiction.

30. Now, we may turn to the decision of the learned Single Judge of this Court in the case of ***Jagdish Gopal Kamath Vs Lime and Chilli Hospitality Services (P) Ltd.*** He has considered the earlier decisions of this Court and has summarized the law on the point in Paragraph 16, which reads thus:

“16. From a reading of Clause XIV of the Letters Patent, the observations/findings in the aforesaid decisions of the Hon'ble Division Bench of this Court, and from the above discussion it can safely be concluded that:

- (i) the grant of leave under Clause XIV of the Letters Patent is a discretionary exercise;
- (ii) the primary consideration, while deciding applications for grant of leave under clause XIV of the Letters Patent is 'avoiding multiplicity of litigation';
- (iii) in the absence of proven mala fides/hardship, the argument that grant of leave will drag the Defendant from a forum where the Defendant is situated, to the Court from which Clause XIV is sought and that this is prejudicial/inconvenient to the Defendant, is fallacious and misconceived;
- (iv) leave may be declined considering undue hardship to the Defendant or such other similar ground/s;
- (v) leave may be declined if the suit as filed is on the face of it not maintainable and the same is nothing but an abuse of law/Court;

- (vi) the inquiry whether on facts the Plaintiff is entitled to grant of leave as sought for or not has to be minimal and not in detail, so as to ensure that observations made do not adversely affect the parties while considering the prayers for grant of interim relief or while deciding the suit;
- (vii) it is not possible to list all the circumstances under which leave under Clause XIV should be granted or declined. The Court has to use its judicial discretion and arrest any abuse of the process of a court without going into the merits of the case to the extent of virtually obliterating the distinction between grant of leave and grant of interim relief.
- (viii) leave petitions cannot be converted into interlocutory hearings based on the initial cause of action. This will be an anathema to the object/legislative policy behind granting leave."

31. The power of this Court to grant a leave under clause XIV of the Letters Patent is always discretionary. As observed earlier, while exercising the said power, the defence raised by way of reply by the Defendant has to be considered. If the Court is satisfied that ex facie, this Court has no jurisdiction to entertain a suit based on the first cause of action, the Court will be justified in exercising discretion by refusing the leave. While doing so, it is not necessary for the Court to record a final finding on the issue of jurisdiction which can be recorded at an appropriate stage. As observed by the learned Single Judge, if the Court is satisfied that ex facie, the suit is not maintainable or that the act of filing a suit is an abuse of process of law, the Court will be

justified in exercising discretion by refusing to grant leave under clause XIV of the Letters Patent. There may be various other grounds on which the Court may refuse leave. For example, if after considering the reply filed by the Defendants, the Court is satisfied that grant of leave under clause XIV of the Letters Patent will amount to causing harassment to the Defendants or will cause undue hardship to them, the Court may refuse to grant leave.

32. As we have observed earlier, when a reply is filed to the Petition seeking leave under clause XIV of the Letters Patent, the Petition seeking leave under clause XIV of the Letters Patent cannot be decided on mere demurer and the Court will have to take into consideration the reply filed to the Petition seeking a leave under clause XIV of the Letters Patent. We may hasten to add here that while dealing with the Petition under clause XIV of the Letters Patent, the Court is not expected to record a final finding on the issue of jurisdiction or maintainability of the suit based on the first cause of action except when the Court exercises the power under Rule 11 of Order VII of the said Code. When the power of rejection of the Plaint is exercised, naturally, there will be no occasion to grant a leave under clause XIV of the Letters Patent. The learned Single Judge in the decision in the case of *Jagdish Gopal Kamath Vs Lime and Chilli Hospitality Services (P) Ltd.* has rightly held that the inquiry on the question whether the

Plaintiff is entitled to grant of leave has to be minimal and the hearing of such Petitions cannot be allowed to be converted into hearing of interlocutory hearings.

33. In addition to what we have held in the judgment, we agree with the summary of the conclusions recorded by the learned Single Judge in Paragraph 16 of the decision in the case of ***Jagdish Gopal Kamath Vs Lime and Chilli Hospitality Services (P) Ltd.*** After having perused all the decisions relied upon by the parties, we find that none of the binding decisions take a view which is contrary to the view taken by us.

#### SCOPE OF APPEAL

34. There are submissions canvassed across the bar on merits of the impugned orders. We have held earlier that clause XIV of the Letters Patent confers discretionary power on the Court. The grant of leave under clause XIV of the Letters Patent is a discretionary exercise. An Appeal against an order passed in exercise of the discretionary power can be said to be an Appeal on principle. Unless it is shown that the exercise of discretion is perverse or is completely contrary to the settled law, in normal course, the Appeal Court should not interfere with the exercise of discretion. Even if leave is granted by rejecting

contentions raised by the Defendants, there is no final adjudication made on merits of the suit or the issue of Jurisdiction. Moreover, the limited adjudication made while granting leave will not affect the decision of the Court on the interlocutory applications for grant of interim relief. The issue of jurisdiction of the Court to entertain the suit always remains open even if a leave is granted under clause XIV of the Letters Patent. Even if leave is refused, rights of the Plaintiff are not affected in the sense that he can bring a separate suit before the appropriate forum on the cause of action sought to be clubbed by taking recourse to Clause XIV of the Letters Patent. When an Appeal is preferred against the order passed on a Petition seeking leave under clause XIV of the Letters Patent, the Appeal Court will have to bear in mind the aforesaid aspects. It is in the light of these parameters, now we proceed to discuss the merits of the impugned orders.

#### ON MERITS OF THE IMPUGNED ORDER

35. Now coming to the merits of the Appeal No.95 of 2015, the Plaintiff claims to be a registered Proprietor of a “CHERI” (in Class 5) in respect of pharmaceutical preparations. According to the case of the Plaintiff, it carries on business in Mumbai and its goods are available in Mumbai. The suit is filed for infringement of the registered trade mark by contending that by virtue of Section 134 of the Trade Marks Act,

1999, the Plaintiff is entitled to file a suit within the jurisdiction of this Court. It was contended that the cause of action also arises for action of passing off and, therefore, leave under Clause XIV of the Letters Patent was sought for combining the causes of action.

36. The Defendants contended that the cause of action for infringement had not arisen within the jurisdiction of this Court. Another contention was that the suit for infringement was not maintainable. In Paragraph 5 of the order, the learned Single Judge has adverted to Sub-section (2) of Section 134 of the Trade Marks Act and observed that a registered proprietor of a trademark can institute a suit for infringement in a Court within the local limits of whose jurisdiction at the time of institution of the suit, the registered proprietor actually or voluntarily resides or carries on business or personally works for gain. The learned Single Judge referred to the case made out in the Plaint that the Plaintiff is carrying on business in Mumbai and its goods are available in Mumbai. The finding recorded in Paragraph 5 of the order is not a final finding on the issue of jurisdiction. It is only a tentative finding recorded while dealing with the contention raised by the Defendants. There is no perversity in the finding. In Paragraph 6 of the order, the learned Single Judge has considered the submissions made by the Defendants that the Plaintiff's registration is restricted merely to pharmaceutical preparations which does not cover the case in relation

to which the Defendants use their alleged offending mark. Perhaps, the objection of the Appellant was to the following observations made in Paragraph 6 in the impugned order.

“6. ...The requirement, however, is that the Court must be in a position to arrive at the conclusion that the suit as framed is not maintainable without there being any need to consider any defence to the suit.”

37. However, in the further part of the order, the learned Single Judge has observed that whether the goods in respect of which the Defendants use their mark, are pharmaceutical preparations or is not free from doubt. The learned Single Judge further observed that the documents placed on record by the defendants along with the reply cannot be taken into consideration. To that extent, the learned Judge may not be right, but he has held that the issue whether the goods in respect of which the Defendants use their mark are pharmaceutical preparations is not free from doubt. Therefore, we do not find that the discretion exercised while granting leave is not perverse. He held that it cannot be said that the suit is ex-facie not maintainable.

38. In Appeal No.340 of 2015, the facts of the case have been already narrated in the earlier part of the judgment. The opposition of the Defendants to the Petition seeking a leave under Clause XIV of the Letters Patent is on the ground that the first Plaintiff was owner of the

registered trademark which carries on business outside the jurisdiction of this Court. There is nothing placed on record to establish that the first Plaintiff has authorized the second Plaintiff to use its trademark. The contention was that under Section 134 of the Trade Marks Act, it was not enough to prove that the second Plaintiff was a distributor of the goods marketed by the first Plaintiff in India. It was contended that merely because the distributor was having its office within the jurisdiction of this Court, it cannot be said that the Court had jurisdiction to entertain an infringement action. It was pointed out that the preliminary issue of jurisdiction has been already framed. The learned Single Judge observed that for the purposes of application for grant of leave under Clause XIV of the Letters Patent, the Court will have to proceed on the footing that the second Plaintiff was a distributor and agent of the first Plaintiff. The learned Single Judge relied upon a decision of this Court in the case of *Ultratech Cement Ltd. v. Dalmia Cement Bharat Limited* which in turn relies upon the decision of the Apex Court in the case of *Expnar Sa Vs. Eupharma Laboratories Ltd.*

39. The case made out in the Complaint and in the Petition for grant of leave by the Plaintiffs was that the second Plaintiff was having its office at Mumbai. It was pleaded that the second Plaintiff was carrying on business in Mumbai as the exclusive and sole distributor of

the first Plaintiff to use the goods. All this is a matter of evidence and in fact, a preliminary issue of jurisdiction of this Court has been already framed. Even in this case, there is no final finding recorded by the learned Single Judge on the issue of jurisdiction which remains at large notwithstanding the grant of leave under Clause XIV of the Letters Patent. Therefore, we find no perversity or illegality in the approach adopted by the learned Single Judge.

40. Now we turn to the Appeal No.387 of 2015 which arises out of Suit No.42 of 2014 (*Ultratech Cement Limited and Another v. Dalmia Cement Bharat Limited*). The case made out in the Plaint was that the first Plaintiff was a registered proprietor of the trade marks listed at Sr.Nos.2 to 7 whilst the second Plaintiff is a registered proprietor of the trade marks listed at Sr.Nos.1, 8 and 9. All these trade marks contain the word “Ultratech” or “Ultra” as a part of them. It is alleged that by the Deed of Assignment dated 30<sup>th</sup> September 2009, the trade marks containing the word “Ultratech” or “Ultra” was assigned to the second Plaintiff alongwith the goodwill of the business. Reliance is also placed on the License Agreement dated 29<sup>th</sup> June 2011. By the said License Agreement, the second Plaintiff has permitted the first Plaintiff to use the trade marks containing the word “UltraTech” or “Ultra”. It is alleged that the words “Ultra” and “Tech” are the essential and prominent features of the registered mark bearing the word

“UltraTech”. It was alleged that the Defendant/Appellant has started using a mark containing the word “Ultra” and that the trade mark of the Defendant is identical with or deceptively similar to the “UltraTech” trademark and, therefore, such user by the Defendant will amount to an infringement of the “UltraTech” trade marks. The objection of the Defendant was that this Court had no jurisdiction in respect of the cause of action for infringement as only a registered proprietor or a registered user can maintain a suit for infringement. It was contended that the second Plaintiff cannot maintain a suit containing action for infringement under Sub-section (2) of Section 134 of the Trade Marks Act since it cannot be said to be ordinarily residing or carrying on business within the jurisdiction of this Court. In this case, the Defendant had applied under Order VII Rule 11 of the said Code on the ground that only the second Plaintiff cannot file a suit for infringement as a registered proprietor of the trademark and that the principal place of its business was outside the jurisdiction of this Court. While dismissing the prayer for rejection of the Plaint, the learned Single Judge held that the Court would have jurisdiction to entertain a suit under Sub-section (2) of Section 134 of the Trade Marks Act even if the Plaintiff only had its subordinate office and not its principal office within the jurisdiction of this Court. In this case, the second Plaintiff has a subordinate office within the jurisdiction of this Court. An Appeal against the said order of rejection of the Application for rejection of the

Plaint was dismissed by the Division Bench by granting liberty to the Defendant to take out appropriate proceedings including an application under Section 9A of the said Code. In our view, while dealing with the Petition under Clause XIV of the Letters Patent, in view of the earlier order of the learned Single Judge which was confirmed in Appeal, it was not necessary for the learned Single Judge to go into the prima facie consideration of the issue whether the suit was maintainable under Sub-section (2) of Section 134 of the Trade Mark Act. Nevertheless, the learned Single Judge has dealt with the same and negatived it. Prima facie view expressed by the learned Single Judge is that there was no need to read words in the nature of the explanation to Section 20 in Sub-section (2) of Section 134 of the Trade Marks Act. According to us, the learned Single Judge has considered the defence of the Defendant to the leave application and has held more than minimal inquiry and has recorded a prima facie finding that this Court had jurisdiction to entertain the suit containing the cause of action for infringement. We do not find any perversity attached to the approach or findings recorded by the learned Single Judge.

41. In none of the aforesaid three Petitions, there is material to come to a conclusion that the action of filing a suit in this Court is malafide or that undue hardship will be caused to the Defendants if the leave under Clause XIV of the Letters Patent is granted.

42. We are, therefore, unable to interfere with the impugned orders and we pass the following order:

ORDER :

- (a) The Appeals are dismissed;
- (b) We make it clear that by the impugned orders, the issue of jurisdiction of this Court to entertain the suit based on the first cause of action is kept open which can be decided at an appropriate stage in accordance with law;
- (c) The findings rendered by the learned Single Judge on the issue of jurisdiction are tentative or prima facie findings only for the purposes of deciding the Application for leave under Clause XIV of the Letters Patent;
- (d) There will be no order as to costs.

( ANUJA PRABHUDESSAI, J)

( A.S. OKA, J )