

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

Reserved on: 27.08.2018

Pronounced on: 14.12.2018

+ **C.S.(COMM) 690/2018 & I.A. No.11166/2018**

CARLSBERG BREWERIES A/S.

..... Plaintiff

Through: Mr. Sudhir Chandra, Senior Advocate with
Mr. C.A. Brijesh, Mr. Peeyoosh Kalra, Ms. V. Mohini,
Mr. Udayvir Rana, Advocates.

Mr. Chander M. Lall, Sr. Adv. with Ms. Nancy Roy and
Mr. Rupin Bahl, Advocates for Intervenor.

Versus

SOM DISTILLERIES AND BREWERIES LTD. .. Defendant

Through: Mr. Kapil Wadhwa, Ms. Devyani Nath,
Ms.Kaveri Jain and Ms.Deepika Pokharia, Advocates for
defendant.

Mr. Rohan Alva, Mr.Reshabh Bajaj, Mr.Ankit Kaushal
and Mr.Sushant Singh, Advocates for Intervener.

Mr. Hemant Singh, Ms. Mamta. R. Jha, Ms. Shrutima and
Mr. Pranav Narain, Advocates, for interveners.

Mr. Dinesh Kumar Sharma, Advocate, Independent
Counsel Assisting the Court in terms of order dated
26.7.2018.

CORAM:

HON'BLE MR. JUSTICE S. RAVINDRA BHAT

HON'BLE MS. JUSTICE HIMA KOHLI

HON'BLE MR. JUSTICE VIPIN SANGHI

HON'BLE MR. JUSTICE VALMIKI. J. MEHTA

HON'BLE MR. JUSTICE VIBHU BAKHRU

MR. JUSTICE S. RAVINDRA BHAT

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1. The reference to this larger, Special Bench of five judges, was occasioned by the detailed speaking order of a learned Single Judge, in the present suit, which sought the reliefs of infringement of design and a decree for injunction against passing off. The learned Single Judge, by the order dated 02.05.2017, referred the question as on the whether the decision in *Mohan Lal v. Sona Paint*, 2013 (55) PTC 61 (Del) (FB) - hereafter "*Mohan Lal*" on the aspect of *maintainability of a composite suit in relation to infringement of a registered design and for passing off, where the parties to the proceedings are the same needs re-consideration by a larger bench in the light of Order II Rule 3 CPC, which permits joinder of causes of action*. The decision in *Mohan Lal* (supra) was by a Full Bench of three judges. During the pendency of this reference the dispute *inter parties* was rendered moot due to a mutually acceptable settlement; nevertheless this court was requested to hear and decide the issue, on account of the importance of the subject matter.

2. We had the benefit of the draft judgment by Valmiki. J. Mehta, J. We agree with his conclusions as well as his analysis and reasoning. However, we are of opinion that it is also necessary to state additional reasons while recording the same conclusions.

3. The facts are not elaborately discussed; the present suit (out of which this reference arose) was filed, complaining of infringement of a registered design as well as passing off (of the plaintiff's trade dress) in respect of the bottle and overall get up of the "Carlsberg" mark. The defendant objected to the frame of the suit, pointing out that *per Mohan Lal (supra)*, the two claims

(for passing off and reliefs regarding design infringement) could not be combined in one suit. The single judge analysed parties' submissions and felt that the issue decided in *Mohan Lal (supra)* required a second look; he therefore, referred the matter for appropriate orders to the Chief Justice. This Special Bench was constituted, resultantly.

4. *Mohan Lal (supra)* decided, principally the question whether a passing off remedy is maintainable in the context of a complaint for infringement of copyright in the design (hereafter for clarity referred to as "design right" and "design infringement" to avoid confusion with the overlap with copyright). The Full Bench formulated three questions to be determined by it; the third issue:

"III. Whether the conception of passing off as available under the Trade Marks can be joined with the action under the Designs Act when the same is mutually inconsistent with that of remedy under the Designs Act, 2000?"

5. The majority in *Mohan Lal (supra)* held that as the cause of action for a suit for infringement of a registered design is different from the cause of action on which a claim of passing off is premised, two separate suits have to be filed though, if filed at the same time, or in close proximity, they may be tried together as there may be some aspects which may be common.

Pertinently, the majority view states:

"24.3 Thus, the cause of action in the infringement suit under the Designs Act could be different from that which obtained in a passing off action. The fundamental edifice of a suit for infringement under the Designs Act would be the claim of monopoly based on its registration, which is premised on uniqueness, newness and originality of the design. Whereas, the action for passing off is founded on the use of the mark in the

trade for sale of goods and/or for offering service; the generation of reputation and goodwill as a consequences of the same; the association of the mark to the goods sold or services offered by the plaintiff and the misrepresentation sought to be created by the defendant by use of the plaintiff's mark or a mark which is deceptively similar, so as to portray that the goods sold or the services offered by him originate or have their source in the plaintiff. It is trite to say that different causes of action cannot be combined in one suit [See Dabur India Limited v. K.R. Industries (2008) 10 SCC 595 @ page 607 paragraph 34].

25. Having regard to the nature of the two actions, in our opinion, the two actions cannot be combined. Though as indicated, at the beginning of discussion of this issue if the two actions are instituted in close proximity of each other the court could for the sake of convenience try them together, though as separate causes, provided it has jurisdiction in the matter. Before we conclude our discussions, we would like to refer to some of the cases which have been adverted to in the order of reference which represent the dichotomy in the view expressed by different Benches of this Court. It is these differences, which led to the instant reference being made.

25.1 The first case to which reference has been made is: Tobu Enterprises. This was a case where the plaintiff being a manufacturer of "mini bike tricycle", obtained registration qua the design of its product, on 16.08.1976. Defendant no. 1 in that case, also obtained registration for design for its product, which was also, a tricycle; though on a later date, i.e., 06.10.982. A learned Single Judge of this court refused to grant injunction on the ground that the plaintiff had not approached the court with "clean hands" in as much as, it had attempted to obtain an injunction based on its latest model of tricycle, whereas it had in fact obtained registration of a different design of the said tricycle. The other ground on which the injunction was refused, was that, the design of the plaintiff was distinctly different from that in respect of which the defendant had

obtained registration. The learned Judge was of the view that not only the general appearance was different but the absence of the front-wheel mudguard in the design of the plaintiff made all the difference.

25.2 While these reasons were given in the latter part of the judgment, the learned Single Judge in the earlier part of the judgment discussed his view on certain aspects of law, based on the acceptance of the allegation made by the plaintiff that the defendant's design was identical to that of the plaintiff. The learned Single Judge was considering the provisions of the old Designs Act of 1911 (in short the Old Act). It must be stated that substantially the provisions in respect of which the learned Judge expressed his opinion, are parimateria with the corresponding provision obtaining in the Designs Act, i.e., the Act of 2000. The learned Single Judge, while interpreting old Section 53 (now Section 22) came to the conclusion that since both the plaintiff and defendant no. 1 were proprietors of registered designs, it would be "absurd" to issue injunction in favour of one of the parties to the suit by restraining the other from using the registered design. The learned Single Judge went on to observe that: "The net result, therefore, is that when the design of both the parties is registered, no action in the nature of issue of injunction or recovery of damages is permissible". The view taken was: the remedy available to an aggrieved party in such a case would be to move for cancellation of registration under Section 51 of the old Act (now Section 52). The learned Judge, while recognizing the fact that Section 47 of the old Act (now Section 11) created a substantive right in favour of the person whose design was registered, the said provision, according to the learned Judge, did not state that a registration which is obtained earlier in point of time will prevail over the later registration. The learned Judge thus opined: "that registration of a design can, therefore, prevail and is to be protected against infringement only when the opposite party does not possess any registration. The obvious result is that if each of the parties is having

registration of design, each of them can use that design for its products." (See paragraphs 6, 7 & 9 to 11 at pages 361 to 365)

25.3 On the aspect of the availability of the remedy of passing off, the learned Judge opined that passing off was a common law right and that right was subject to the provisions of a particular statute. Since Section 53 of the old Act provided for a remedy by way of an injunction and claim of damages and rendition of accounts, passing off remedy stood excluded. Learned Judge in coming to this conclusion found support from the provisions of Section 53 of the old Act which placed a cap on the maximum damages which could be claimed by a plaintiff. This, according to him, was in contradiction to what the general law or common law provided. (see paragraph 12 pages 365 and 366).

25.4 This view found favour with another Single Judge of this court in the case of Indo Asahi Glass Co. Ltd. vs. Jai Mata Rolled Glass Ltd. & Anr. Though in this case the learned Single Judge declined to grant an injunction based on the principle set forth in Tobu Enterprises case - what is not discernable clearly from the facts stated in the judgment, as to whether the defendant also had a registration in its favour. The plaintiff in this case was in the business of manufacturing and selling, inter alia, sheet glass. In respect of the same, the plaintiff had obtained registration under the Designs Act. The defendant appears to have pleaded that the design applied on its product was supplied by a West German firm. As indicated above, the narration of facts do not indicate as to whether the German firm had obtained a registration in its favour. Since the judgment in the case of Tobu Enterprises has been applied, one would have to presume that there was registration both in favour of plaintiff and the defendant. We must confess that this judgment does not independently discuss the intricacy of the Designs Act, a fact which has been noticed in a subsequent judgment of this Court. The reference to Tobu Enterprises is found in paragraphs 24 and 25 of the judgment.

25.5 The view taken in *Tobu Enterprises* was also followed in *S.S. Products of India vs. Star Plastics* 2001 PTC 835 (Del). It appears that the learned Single Judge was not referred to the views expressed in a latter judgment, that is, *Joginder Metal Works case* and *Alert India vs. Naveen Plastics* 1997 PTC (17) (Del).

25.6 In the line of judgments which have taken the view expressed in *Tobu Enterprises* is a judgment of the Madras High Court in the case of *Eagle Flask Industries Pvt. Ltd. vs. Bon Jour International & Anr.* 2011 (48) PTC 327 (Mad). This is a short judgment where the learned Single Judge declined to grant injunction to the plaintiff since one of the partners of the defendant firm claimed it also had a registered design in its favour. The product in issue was a vacuum flask. The learned Judge noted that both parties had applied for cancellation of each others registered design, with the Controller of Designs, and therefore, in those circumstances he was of the view that they could not prevent each other from applying their respective registered design to the products manufactured by them. The learned Single Judge appears to have applied the principles encapsulated in Section 30(2)(e) of the Trademarks Act.

26. With respect to, in our view, the judgment in *Tobu Enterprises* failed to appreciate that the registration of a design is *prima facie* evidence of the fact that the design is unique, novel or original or that it is significantly distinguishable from any known design or combinations of designs. Thus, the registration in that sense creates a monopoly in favour of the registrant for the period prescribed under Section 11 of the Designs Act. The registrant thus has, in our opinion, the right to assert this monopoly against all and sundry, including a subsequent registrant. There are no words of limitation in Section 4, 11 and 22 which would exclude institution of an action against the subsequent registrant. The decision in the suit would leave ultimately only one party unscathed. Therefore, in our opinion, the rationale supplied in *Tobu*

Enterprises that the only remedy available to the plaintiff against a subsequent registration would be to seek cancellation of the registration, is flawed.

26.1 It is precisely for this reason, if in a suit for infringement the defendant pleads in defence the grounds which are available for cancellation under Section 19, the suit is necessarily required to be transferred to the High Court under the provisions of Section 22(4) of the Designs Act. In our opinion, the manner in which the scheme of the Designs Act operates, a decree passed in a suit for infringement, shall be binding on the Controller, who will have to cause an entry in that regard in the register of designs. On the other hand, an order of cancellation under Section 19 passed by the Controller is amenable to appeal under sub-section (2) of Section 19. In addition, under sub-section (2) of Section 19 of the Designs Act the Controller has the power to refer, at any time, the petition filed before him, to the High Court for decision.

27. We also, respectfully, disagree with the view taken by the learned Single Judge in Tobu Enterprises with respect to non-availability of a remedy of a passing off action qua a design used as a trademark. The learned Judge has come to this conclusion for the following reasons: Firstly, that Section 53 of the old Designs Act does not provide for a remedy of action of passing off and; secondly, Section 53 of the old Designs Act caps the extent of damages which could be claimed in an action for infringement and consequential relief of damages. Both reasons, according to us, overlook the fundamental principle that in order to institute a suit, a right has not to be necessarily found in a statute enacted by a legislature. Unless the statute expressly or by necessary implication prohibits the jurisdiction of a court to entertain a suit, a civil court cannot refuse to entertain a suit. Jurisdiction of a civil court to deal with civil causes can only be excluded by clear and unambiguous language used by special Acts enacted for that purpose. Ordinarily, the ouster of a jurisdiction of a civil court is not to be inferred. The presumption is ordinarily otherwise. [See

Dhulabhai vs. State of AIR 1969 SC 78, State of Andhra Pradesh vs. Manjeti Laxmi Kantha Rao 2000 (3) SCC 689, Guda Vijayalakshmi vs. Guda Ramachandra Sekhara Sastry (1981) 2 SCC 646 and Kihoto Hollohan vs. Zachillhu (1992) Supl. (2) SCC 651].

28. Section 9 of the Code clearly provides that a court shall have jurisdiction to try all suits of civil nature except suits in respect of which cognizance is either expressly or impliedly barred.

29. A somewhat similar view has been taken by a single Judge of this court in Joginder Metal Works. The view in this case is contrary to the view taken by the single Judge in Tobu Enterprises. We respectfully agree with the view taken in the Joginder Metal Works.

30. Another Single Judge of this Court in Alert India vs. Naveen Plastics has disagreed with the view taken in Tobu Enterprises. This was a case, where the plaintiff which was a manufacturer of footwear soles, had filed a suit for infringement of its registered design and for passing off and other ancillary reliefs. The defendant no. 2 in that case, who was the proprietor of defendant no. 1, pleaded in defence that he had also obtained a registered design, and thus, had the exclusive right to apply the said design to the product manufactured by it. To be noted, the defendant in that case, was also manufacturing footwear soles. The design of the defendant, however, was registered, in point of time later to that of the plaintiff.

30.1 Based on the judgment of Tobu Enterprises it was contended that such a suit was not maintainable against the holder of a registered design, and that, the only remedy available was to seek cancellation under Section 51-A of the old Designs Act.

30.2 The learned Single Judge, however, repelled both these contentions. The single Judge based his judgment on the

Division Bench judgment of the Allahabad High Court and the Lahore High Court in the case of Mohd. Abdul Karim vs. Yasin & Anr. AIR 1934 All. 798 (DB) and Qadar Bakhsh vs. Ghulam Mohd. AIR 1934 Lah. 709, respectively. The learned Single Judge while taking into account the fact that the plaintiff's design was registered at an earlier point in time, observed that: "if the two designs are same or identical, in that case the defendant, whose design was registered much later, cannot be said to be 'proprietor' of a new or original design, not previously published in India". The learned Single Judge based on the judgments of the Allahabad High Court and Lahore High Court, came to the following conclusion: a person claiming to be proprietor of a registered design, which is not new or original, and which is being used by others, since prior to his registration, or such design, notwithstanding such registration, is not entitled to seek legal remedies provided under Section 53 of the Act (i.e., the old Act). The learned Single Judge was thus, of the view that, the defendant would not be entitled to seek legal remedies under Section 53 of the old Designs Act, in case, he were to file a suit, against the plaintiff, and therefore, could the defendant use such a registered design, as a shield in a suit filed by the plaintiff. The learned Single Judge was, therefore, of the view that the defendant who is found to be a pirator of the design, cannot be allowed to defeat the just and legal right available to him under law, including the right to seek injunction under Section 53 of the old Act. (see observations in paragraph 28 to 30 at pages 22).

31. On the aspect of non-availability of the remedy of a passing off action, disagreement has been expressed by another Single Judge of this court in the case of M/s. Smithkline Beecham Plc & Ors. vs. M/s. Hindustan Lever Ltd. & Ors. 1999 PTC 775 (Del). The learned Single Judge has preferred the view taken in Joginder Metal Works as against that which is expressed in Tobu Enterprises. (See paragraph 13 at pages 781 and 782)."

6. The counsel for plaintiffs and others supporting them (Mr. Sudhir Chandra and Mr. C.M Lall, senior counsel) argue that the Full Bench view is incorrect because firstly, Order II Rule 3 CPC was noticeably overlooked. It was submitted that the Supreme Court ruling in *Dabur India Ltd. v. K.R. Industries* (2008) 10 SCC 595 was not correctly appreciated. It is argued that Order II Rule 3 CPC specifically provides for joinder of different causes of action in the same suit. It provides that the plaintiff "*may unite in the same suit several causes of action against the same defendant, or the same defendants jointly; and any plaintiffs having causes of action in which they are jointly interested against the same defendant or the same defendants jointly may unite such causes of action in the same suit.*" Thus, the causes of action in respect of the infringement of a registered design can be clubbed with the cause of action arising on account of passing off, since the parties are the same. Counsel submitted that *Mohan Lal* (supra), observed that different causes of action cannot be combined in one suit and for that purpose placed reliance on *Dabur* (supra), whereas, that decision is to the contrary. In this regard, he points out that the Supreme Court ruled that two causes of action may not be joined in the same suit, if the same Court does not have the territorial jurisdiction to deal with both of them.

7. It was argued that *Mohan Lal* (supra) does not correctly appreciate the conclusion drawn in *Dabur India*, and overlooks that two causes of action cannot be clubbed in a composite suit, only where they do not arise within the jurisdiction of the same Court. Reliance was also placed on two other decisions of the Supreme Court in *Paragon Rubber Industries & Ors. v. Pragathi Rubber Mills & Ors.* 2014 (57) PTC 1; and *Dhodha House v. S.K.*

Maingi (2006) 9 SCC 41, which were considered in *Dabur India Ltd.* (supra).

8. Learned counsel argued that Order II Rule 3 CPC deals with joinder of causes of action. The rule applies not only to cases involving only one plaintiff, one defendant and several causes of action, but also to the cases where there are two or more plaintiffs, two or more defendants and several causes of action. Order II Rule 3 – counsel stressed, should be read with Order I Rules 1 and 3. Two fundamental principles underlie Orders I and II, namely,

- (i) needless multiplicity of suits should be avoided; and
- (ii) the trial of suits should not be embarrassed by simultaneous investigation of totally independent and unconnected controversies.

9. It was submitted that if for some reason, the court feels, in a case that the trial of multiple causes of action in a common suit is inexpedient, inconvenient or likely to embarrass it, recourse to its powers to order separate trials is always available, under Order II Rule 6. It was submitted that these important provisions were lost sight of by the majority judgment in *Mohan Lal (supra)* which proceeded on a textual interpretation of Order II Rule 2, ignoring altogether the other provisions.

10. It was argued that Order II Rule 6, CPC enables the court to order separate trials or to make such order as may be expedient in the interests of justice wherever it appears it to be so if the joinder of causes of action in one suit, may embarrass or delay the trial or is otherwise inconvenient. It was emphasised that the expression “such other order” includes limiting the action to some of the causes of action and excluding others or by directing the plaintiff to elect which cause of action is to be proceeded with or with

which the plaintiff should proceed and which should not be proceeded with. Counsel submitted that at the centre of exercise of discretion is the *frame of the suit*. It was further urged that Order II Rule 6 is supplemental and in the form of a remedy arising from Order II Rule 3. Learned counsel contended that the latter rule enables the plaintiff to join all causes of action and unite them in one suit against the defendant, where any *right to relief* in respect of or arising from the same act or transaction or series of acts or transactions is alleged to exist against one of several persons either jointly or severally. It was submitted that Order II Rule 6 was inserted by an Amendment of 1976. Before that, the *rationale* for ordering separate trials or to pass such orders was that if two or more causes of action, joined in the same suit could not be conveniently tried or disposed of under the amended rule, the court's power to order separate trials (even though joined together), was enabled and widened to order separate trials or make such similar order as were expedient if it found that joinder of causes action could delay or embarrass the trial.

11. It was submitted that when two causes of action in respect of the same party or parties arise out of the same subject matter, they should be clubbed together for disposal on merits, in accordance with law to avoid any conflicting decisions to state so, learned senior counsel relied upon *Dr. Kazimunissa v Zakia Sultana* 2018 (11) SCC 208 and *Hema Khattar v Shiv Khara* 2017 (7) SCC 716. It was argued that the court cannot require the plaintiff to file separate suits but can only order separate trials. For that purpose, the Court can call upon the plaintiff to suitably amend the plaint in such a manner that allegations against different sets of defendants or in respect of different reliefs may be set out separately so that the issue can be separately framed for purpose of separate trials. Counsel relied on *Inder*

Bahadur Singh v Sita Ram (1941) ILR All 370 and *Parshramsao v Hiralal* 1947 Nag 86.

12. Counsel stressed that Order II Rule 6 does not contemplate that the plaintiff should be asked to file separate suits and that failure to do so does not empower the court to reject the plaint partially. It was stated that convenience merely dictates that cause of action can at the most be ordered to be tried separately, but within the framework of the same suit. It was stated that the alternative order which Order II Rule 6 visualises must be analogous to that order and not be for an order to file different suits. Possibly, the court may frame issues for trial in one suit and order that the trial will start with the issue regarding a relief and then proceed with an trial of the issue regarding another cause to be sequentially later. It was submitted that this is what is meant by “make such order or orders as may be expedient”. However, separate suits cannot be insisted upon under the provisions of the CPC.

13. It was stated that the joinder of allegations of design infringement and of passing off, based on the same transactions and allegations against the same defendant, was not a case of misjoinder of causes of action or parties where the plaintiff could be called upon to elect which of the causes of action it proposed to join. This was a suit based on a proper joinder of cause of action in which the court is permitted for the sake of convenience, to order separate trials if necessary, or make such orders in that regard and to that end, as could be expedient. *Parshramsao* (supra), was relied upon by learned counsel who also stated that Order VII Rule 10 is limited and confined in its operation to returning the plaint where the court does not possess jurisdiction. Likewise, the power of the court to reject the plaint under Order

VII Rule 11 is only in instances where the plaint does not disclose the cause of action; or where the relief is undervalued; or where the relief claimed is properly valued but the plaint is written upon insufficiently stamped paper; and where the suit appears to be barred by law. It is submitted that the ground of misjoinder of cause of action cannot be a ground for rejection of the plaint in terms of the CPC, as it stands. Order VII Rule 11 contemplates rejection of the plaint on grounds specifically provided. Therefore between the two, i.e. Order VII Rules 10 and 11, the first dealing with the return of plaint and the second, rejection of the suit, the ground of misjoinder of causes of action cannot be covered by either. What is of importance in considering whether the plaint is maintainable on allegations levelled or contained in it and whether the court possesses jurisdiction (in all the shades of its meaning i.e. subject matter territorial or pecuniary); the only concern is if it does involve multifariousness in the sense that separate and several disparate causes of action, each concerning separate defendants which cannot be *conveniently tried in one proceeding* because they encapsulate several unconnected causes of action, based on entirely different transactions (and thereby seeking separate reliefs, thus fusing several suits into one) can be fatal to the suit. In that event, the fatality is not one to be located within Order II Rule 3, but because it is impermissible under Order II Rule 3.

14. On behalf of the defendants, it was argued by learned counsel, Mr. Kapil Wadhwa and Mr. Rohan Alva, that the decision in *Mohan Lal (supra)* has to be understood in the context of the Full Bench's ruling that *substantively*, the two disparate causes of action *were incapable of unification* in one suit. Therefore, the court emphasized that though the underlying facts may be common, the nature of reliefs in many senses were

mutually exclusive, thus rendering a common trial inherently inconvenient. It was urged that Order II Rule 3 might *ipso facto* lead one to conclude that disparate causes of action can be united in one action. Yet, Order II Rule 6 contemplated that if the court felt that a common trial was inconvenient, separate trials could be directed; the court could also *order “otherwise”*. Here, it was emphasized that if and when the court felt – at any stage-including at the threshold stage, that common trial or proceedings were inconvenient, it could direct separate trials, or even that the plaint be amended. If such an order was not complied with, courts were not helpless; they could reject the plaint.

15. It is argued that Order I Rule 9 CPC provides specifically that no suit shall be defeated for the reason of misjoinder or non-joinder of parties. Counsel submitted that no such parallel provision exists under Order II with respect to causes of action. Therefore, in case of misjoinder of causes of action, a suit can be defeated. It is argued that misjoinder is not a bar for maintainability of a suit under Order 7 Rule 11 (d) and a defect of misjoinder of parties and cause of action can be waived. In this regard, counsel relied on *Prem Lata Nahata* (supra) and *Assembly of God Church v. Ivan Kapper* (2004) 2 CHN 360. Learned counsel outlined the diverse and disparate elements in the two claims, i.e. for infringement and passing off and pointed out that their trials involve often contradictory and diametrically different claims, best suited to be proceeded separately. It was also submitted that under the Designs Act, if the validity of a registered design is impugned, the court in question has to cede the suit, which then has to be considered *per force* by the High Court. On the other hand, no such compulsion exists in respect of a passing off suit. This means, that if the design in a design

infringement suit (which also comprises a claim for passing off) is challenged, *a part of the suit only* can validly be transferred. This conundrum, emphasized counsel, exposes the weakness in the plaintiff's argument with respect to incorrectness of *Mohan Lal (supra)*.

16. It is clear from the above that the genesis of a composite suit is to avoid needless multiplicity of suits and trial of suits should not be embarrassed by simultaneous investigations of totally independent and unconnected controversies. Under a composite design infringement and passing off suit, there would be a parallel enquiry that the court would have to undertake throughout the suit. Parties could also be faced with contradictory situations such as a plaintiff could be required to prove prior user which could provide evidence as to invalidity of a design. A composite suit would also lead to a loss to the exchequer for the court fee payable for each cause of action under Section 17 of the Court Fee Act. The reasoning in *Mohan Lal (supra)* is in consonance with the provisions of Order II Rule 3 read with Rules 7 and Rule 8, and thus a composite suit for infringement of registered design and action of passing ought to be held as a misjoinder.

17. It is argued by Mr. Dinesh Kumar Sharma, one of the learned counsel assisting the court that a composite suit cannot be used as a ploy to confer jurisdiction on a Court which has jurisdiction to try only the suit in respect of one cause of action and not the other. This observation is relevant for a composite suit in relation to infringement of copyright or trademark with a passing off and not to a composite suit in relation to infringement of a design with a passing off. This is because a provision similar to Section 62(2) of the Copyright Act, 1957 which is specially designed to provide an additional forum enabling the author to file a suit who may not otherwise be in a

position to file a suit at different places where his copyright was violated has not been incorporated into the Designs Act, 2000. Therefore, akin to a passing off action, a design infringement suit has to be instituted in a jurisdiction where the defendant is located. Consequently, a composite suit in relation to infringement of a design with a passing off should be maintainable as on the same cause of action against the same defendants, territorial jurisdiction made by the plaintiff on one cause of action, would be sufficient for the other.

18. Mr. Rohan Alva, learned counsel argued that Part X of the Code of Civil Procedure, 1908 (CPC) pertains to "Rules" and Section 129 therein empowers the High Court of Delhi to make such rules to regulate its own procedure in the exercise of its original civil jurisdiction. Furthermore, Section 129 commences with a *non-obstante* clause and provides that such rules may be made notwithstanding anything in this Code. He placed reliance on *M/s Print Pak Machinery v. M/s Jay Kay Papers Converters*, ILR (1979) II Del 28 (Full Bench); *Iridium India Telecom Ltd. v. Motorola Inc.*, (2005) 2 SCC 145. It was highlighted further, that a Full Bench is empowered in law to provide for a different procedure governing civil trials, and in doing so, is not bound by the CPC and can so provide even when the High Court rules are silent on that aspect. Counsel relied on *Jugal Kishore Paliwal v. S. Sat Jit Singh*, (1984) 1 SCC 358 and *Jasvinder Singh, Geetanjali Singh & Anr. v. Mrigendra Pritam Vikramsingh Steiner & Ors.*, 196 (2013) DLT 1 (FB).

19. It was submitted that Order II, Rule 3 is an enabling provision which allows a plaintiff to exercise an option to institute a composite suit. Its language read with other provisions of the CPC, makes it clear that a

plaintiff does not have an absolute right to file a composite suit. Since Order II, Rule III is not a mandatory provision, it commences with the phrase "*Save as otherwise provided*" which implies that unless otherwise prohibited, a plaintiff may file a composite suit against a defendant. The said phrase needs purposive interpretation to include different procedural rules for civil trials as stipulated by judicial decision, especially those formulated by a Full Bench. "*Save as otherwise provided*" should mean and include '*as otherwise provided for by judicial decisions of the High Court*', since the said phrase does not use additional words limiting its scope or ambit. In this regard, counsel sought aid of *State of Rajasthan & Ors. v. Shri Noor Mohammad* (1972) 2 SCC 454.

20. The following points, arise for consideration by this court, in this reference:

- (a) Is the court compelled by anything in law to reject a plaint for misjoinder, if two causes of action cannot be clubbed;
- (b) Are the two causes of action, i.e. a claim for design infringement and the other for passing off, so disparate or dissimilar that the court cannot try them together in one suit;

Analysis and Conclusions

21. Point No.1: First, before this court discusses the rival contentions and records its conclusions, it is necessary to extract the relevant provisions of law. Order I CPC deals with *joinder of parties*. Its provisions, to the extent relevant, (Rules 1 to 7) are as follows:

“1. Who may be joined as plaintiffs: All persons may be joined in one suit as plaintiffs where-

(a) any right to relief in respect of, or arising out of, the same act or transaction or series of acts or transactions is alleged to exist in such persons, whether jointly, severally or in the alternative; and

(b) if such persons brought separate suits, any common question of law or fact would arise.

2. Power of Court to order separate trial : *Where it appears to the Court that any joinder of plaintiffs may embarrass or delay the trial of the suit, the Court may put the plaintiffs to their election or order separate trials or make such other order as may be expedient.*

3. Who may be joined as defendants.: *All persons may be joined in one suit as defendants where-*

(a) any right to relief in respect of, or arising out of, the same act or transaction or series of acts or transactions is alleged to exist against such persons, whether jointly, severally or in the alternative; and

(b) if separate suits were brought against such persons, any common question of law or fact would arise.

3A. Power to order separate trials where joinder of defendants may embarrass or delay trial: *Where it appears to the Court that any joinder of defendants may embarrass or delay the trial of the suit, the Court may order separate trials or make such other order as may be expedient in the interests of justice.*

4. Court may give judgment for or against one or more of joint parties: *Judgment may be given without any amendment-*

(a) for such one or more of the plaintiffs as may be found to be entitled to relief, for such relief as he or they may be entitled to;

(b) against such one or more of the defendants as may be found to be liable, according to their respective liabilities.

5. Defendant not be interested in all the relief claimed: It shall not be necessary that every defendant shall be interested as to all the relief claimed in any suit against him.

6. Joinder of parties liable on same contract: The plaintiff may, at his option, join as parties to the same suit all or any of the persons severally, or jointly and severally, liable on any one contract, including parties to bills of exchange, hundis and promissory notes.

7. When plaintiff in doubt from whom redress is to be sought: Where the plaintiff is in doubt as to the person from whom he is entitled to obtain redress, he may join two or more defendants in order that the question as to which of the defendants is liable, and to what extent, may be determined as between all parties.

22. Order II CPC, which deals with frame of suits, talks of joinder of causes of action. The relevant provisions, Rules 1 to 8, are as follows:

“1. Frame of suit Every suit shall as far as practicable be framed so as to afford ground for final decision upon the subjects in dispute and to prevent further litigation concerning them.

2. Suit to include the whole claim:(1) Every suit shall include the whole of the claim which the plaintiff is entitled to make in respect of the cause of action; but a plaintiff may relinquish any portion of his claim in order to bring the suit within the jurisdiction of any Court.

(2) Relinquishment of part of claim- Where a plaintiff omits to sue in respect of, or intentionally relinquishes, any portion of his claim, he shall not afterwards sue in respect of the portion so omitted or relinquished.

(3) Omission to sue for one of several reliefs- A person entitled to more than one relief in respect of the same cause of action may sue for all or any of such reliefs; but if he omits, except with the leave of the Court, to sue for all such reliefs, he shall not afterwards sue for any relief so omitted.

Explanation- For the purposes of this rule an obligation and a collateral security for its performance and successive claims arising under the same obligation shall be deemed respectively to constitute but one cause of action.

Illustration

A lets a house to B at a yearly of rent Rs. 1200. The rent for the whole of the, years 1905, 1906 and 1907 is due and unpaid. A sues B in 1908 only for the rent due for 1906. A shall not afterwards sue B for the rent due for 1905 or 1907.

3. Joinder of causes of action : (1) Save as otherwise provided, a plaintiff may unite in the same suit several causes of action against the same defendant, or the same defendants jointly; and any plaintiffs having causes of action in which they are jointly interested against the same defendant or the same defendants jointly may unite such causes of action in the same suit.

(2) Where causes of action are united, the jurisdiction of the Court as regards the suit shall depend on the amount or value of the aggregate subject-matters at the date of instituting the suit.

4. Only certain claims to be joined for recovery of immovable property: No cause of action shall, unless with the leave of the Court, be joined with a suit for the recovery of immovable property, except-

(a) claims for mesne profits or arrear of rent in respect of the property claimed or any part thereof;

(b) claims for damages for breach of any contract under which the property or any part thereof is hold; and

(c) claims in which the relief sought is based on the same cause of action:

Provided that nothing in this rule shall be deemed to prevent any party in a suit for foreclosure or redemption from asking to be put into possession of the mortgaged property.

5. Claims by or against executor, administrator or heir : No claim by or against an executor, administrator or heir, as such, shall be joined with claims by or against him personally, unless the mentioned claims are alleged to arise with reference to the estate in respect of which the plaintiff or defendant sues or is sued as executor, administrator or heir, or are such as he was entitled to, or liable for, jointly with the deceased person whom he represents.

6. Power of Court to order separate trials: Where it appears to the Court that the joinder of causes of action in one suit may embarrass or delay the trial or is otherwise inconvenient, the Court may order separate trials or make such other order as may be expedient in the interests of justice.

7. Objections as to misjoinder:All objections on the ground of misjoinder of causes of action shall be taken at the earliest possible opportunity and, in all cases where issues are settled, at or before such settlement unless the ground of objection has subsequently arisen, and any such objection not so taken shall be deemed to have been waived."

23. Order I Rule 3 prescribes that all persons may be joined as defendants in a suit against whom any right to relief exists *provided that such right is based on the same act or transaction or series of acts or transactions against those persons whether jointly, severally or in the alternative.* Further, if separate suits were brought against such persons, common questions of law

or fact would arise. The purpose of the Rule is to avoid multiplicity of suits. It is evident that this provision to some extent, also deals with the joinder of causes of action inasmuch as when the plaintiff frames the suit, he impleads persons as defendants against whom he claims to have a cause of action. Joinder of causes of action has been provided for in Order II Rule 3. These two provisions, i.e. Order I Rule 3 and Order II Rule 3, together, indicate that the question of joinder of parties also involves joinder of causes of action. The underlying principle is that if one is made a party to a suit because of a cause of action against him; when causes of action are joined, the parties too are joined. Parties to a suit may be necessary or proper parties. A necessary party is one whose *presence is essential* and against whom relief is sought. A necessary party also is one in whose absence, no *effective decree* can be passed. Conversely, a proper party is one without whom a decree can be passed and whose presence is not necessary for a complete adjudication of the dispute. Order I Rule 1 CPC requires joining of all persons in one suit against whom *any right to relief* arising out of the same act or transaction or series of acts is alleged to exist, jointly, severally, etc. and if such person brings several suits, common questions of fact or law arise. This provision deals with joinder of parties, and to a certain extent, with the joinder of causes of action. Order II Rule 3 CPC deals with joinder of causes of action. Order I Rule 4 of the Code too has to be read along with Order I Rule 1. It states that a judgment may be given without any amendment (a) for such one or more plaintiffs as may be found to be entitled to relief, for such relief as he or they may be entitled to; or (b) against such one or more defendants as may be found to be liable, according to their respective liabilities.

24. Mulla's seminal work "*the Code of Civil Procedure*" (15th Edition) observed as follows:

"Under this rule several persons may join as plaintiffs in one suit, though their joinder of causes of action are separate and distinct provided that -

(i) the right to relief, alleged to exist in them, arises out of the same act or transaction or series of acts or transactions; and

(ii) the case is of such a character that, if such persons bring separate suits, a common question of law or fact would arise.

Both these conditions must be fulfilled to enable two or more persons to join as plaintiffs in one suit. The two conditions are cumulative and not in the alternative. At the same time it is not necessary that all questions arising in the case should be common to all the parties. It is sufficient even if one of the questions is common to them."

25. Misjoinders thus, are classifiable into three (i) misjoinder of plaintiffs; (ii) misjoinder of defendants and (iii) misjoinder of causes of action. Order I Rule 1 CPC provides that two or more persons may be joined as plaintiffs in one suit, if the right to relief alleged to exist in each plaintiff arises from the same act or transaction and there is a common question of law or fact; if there is no common question of law or fact, they cannot be joined as plaintiffs in one suit; they must bring separate suits. If two or more persons are joined as plaintiffs in one suit in a case not covered by Order I Rule 1 of CPC it results in misjoinder of plaintiffs.

26. As far as misjoinder of defendants goes, the relevant provision is Order I Rule 3 CPC which was explained by the Supreme Court in *Anil Kumar Singh v. Shiv Nath Mishra* ((1995) 3 SCC 147) thus:

"..... The object of the rule is to bring on record all the persons who are parties to the dispute relating to the subject-

matter so that the dispute may be determined in their presence at the same time without any protraction, inconvenience and to avoid multiplicity of proceedings. A person may be added as a party-defendant to the suit though no relief may be claimed against him/her provided his/her presence is necessary for a complete and final decision on the question involved in the suit. Such a person is only a proper party as distinguished from a necessary party.”

27. Joinder of causes of action-dealt with in Order II Rule 3 enables the plaintiff to “*unite in the same suit several causes of action against the same defendant, or the same defendants jointly; and any plaintiffs having joinder of causes of action in which they are jointly interested against the same defendant or the same defendants jointly may unite such joinder of causes of action in the same suit.*” Rule 3(2) states that if there is such joinder of causes of action “*jurisdiction of the court as regards the suit shall depend on the amount or value of the aggregate subject-matters at the date of instituting the suit.*”

28. A reference may be usefully made to *Ishwarbhai C. Patel v. Harihar Bahera* (AIR 1999 SC 1341), which noticed that misjoinder can be of three types and, furthermore that *a suit is bad for misjoinder* (also called multifariousness) “*if different causes of action are joined separately against different defendants. This is violation of Order II Rule 3 and Order I Rule 3 CPC.*” In this context, it was observed, long ago in *Harendra Nath Singha Ray vs. Purna Chandra Goswami and Ors.* AIR 1928 Cal 199 that :

“14. The question of joinder of plaintiffs or defendants and the meaning of Rule 16, Rules 1 and 4, have been considered lately by the Court of appeal (Lord Sterndale, M. E., Warrington,

L.J., and Scrutton, L.J.) in Payne v. British Time Recorder Co. Ltd. [1921] 2 K.B. 1 and it has been said:

Broadly speaking, where claims by or against different parties involve or may involve a common question of law or fact bearing sufficient importance in proportion to the rest of the action to render it desirable that the whole of the matters should be disposed of at the same time the Court will allow the joinder of plaintiffs or defendants, subject to its discretion as to how the action should be tried.

15. This is a good working rule for practical purposes and, applying it to the present case, it seems to us clear that the action as framed is justified by Order 1, Rules 1 and 3, Civil P.C. Looking at the matter, however, from the point of view of Order 1, Rule 2, we are of opinion that the trial of the suit as laid is likely to be somewhat embarrassing, especially as some of the questions that will arise so far as property A is concerned, will have no bearing upon the claim as regards properties B, C, D and E and also because the question of costs, in so far as the deity is concerned will arise, which, if possible, must be kept separate from these which the plaintiff will incur or be entitled to recover in his personal capacity.

29. In *Prem Lala Nahata* (supra) the Supreme Court dealt with the issue of joinder of causes of action and consequences of misjoinder, comprehensively:

“10. Order II deals with frame of suits. It provides that every suit shall be framed as far as practicable so as to afford ground for final decision upon the subjects in dispute and to prevent further litigation concerning them. It is also insisted that every suit shall include the whole of the claim that a plaintiff is entitled to make in respect of its subject matter. There is a further provision that the plaintiff may unite in the same suit several causes of action against the same defendant and plaintiffs having causes of action in which they are jointly

interested against the same defendant, may unite such causes of action in the same suit. It provides that objection on the ground of misjoinder of causes of action should be taken at the earliest opportunity. It also enables the Court, where it appears to the Court that the joinder of causes of action may embarrass or delay the trial or otherwise cause inconvenience, to order separate trials or to make such other order as may be expedient in the interests of justice.

11. Thus, in a case where a plaint suffers from the defect of misjoinder of parties or misjoinder of causes of action either in terms of Order I Rule 1 and Order I Rule 3 on the one hand, or Order II Rule 3 on the other, the Code itself indicates that the perceived defect does not make the suit one barred by law or liable to rejection. This is clear from Rules 3A, 4 and 5 of Order I of the Code; and this is emphasised by Rule 9 of Order I of the Code which provides that no suit shall be defeated by reason of non-joinder or misjoinder of parties and the court may in either case deal with the matter in controversy so far as it regards the rights and interests of the parties actually before it. This is further emphasised by Rule 10 of Order I which enables the court in appropriate circumstances to substitute or add any person as a plaintiff in a suit. Order II deals with the framing of a suit and Rule 3 provides that save as otherwise provided, a plaintiff may unite in the same suit several causes of actions against the same defendant and any plaintiffs having causes of actions in which they are jointly interested against the same defendant may unite such causes of action in the same suit. Rule 6 enables the Court to order separate trials even in a case of misjoinder of causes of action in a plaint filed.

13. It is well understood that procedure is the handmaid of justice and not its mistress. The Scheme of Order I and Order II clearly shows that the prescriptions therein are in the realm of procedure and not in the realm of substantive law or rights.

That the Code considers objections regarding the frame of suit or joinder of parties only as procedural, is further clear from Section 99 of the Code which specifically provides that no decree shall be reversed in appeal on account of any misjoinder of parties or causes of action or non-joinder of parties unless a Court finds that the non-joinder is of a necessary party. This is on the same principle as of Section 21 of the Code which shows that even an objection to territorial jurisdiction of the Court in which the suit is instituted, could not be raised successfully for the first time in an appeal against the decree unless the appellant is also able to show consequent failure of justice. The Suits Valuation Act similarly indicates that absence of pecuniary jurisdiction in the Court that tried the cause without objection also stands on the same footing. The amendment to Section 24 of the Code in the year 1976 confers power on the Court even to transfer a suit filed in a Court having no jurisdiction, to a Court having jurisdiction to try it. In the context of these provisions with particular reference to the Rules in Order I and Order II of the Code, it is clear that an objection of misjoinder of plaintiffs or misjoinder of causes of action, is a procedural objection and it is not a bar to the entertaining of the suit or the trial and final disposal of the suit. The Court has the liberty even to treat the plaint in such a case as relating to two suits and try and dispose them off on that basis.

14. Order VII Rule 11(d) speaks of the suit being "barred by any law". According to the Black's Law Dictionary, bar means, a plea arresting a law suit or legal claim. It means as a verb, to prevent by legal objection. According to Ramanatha Aiyar's Law Lexicon, 'bar' is that which obstructs entry or egress; to exclude from consideration. It is therefore necessary to see whether a suit bad for misjoinder of parties or of causes of action is excluded from consideration or is barred entry for adjudication. As pointed out already, on the scheme of the Code, there is no such prohibition or a prevention at the entry of a suit defective for misjoinder of parties or of causes of action. The court is still competent to try and decide the suit,

though the court may also be competent to tell the plaintiffs either to elect to proceed at the instance of one of the plaintiffs or to proceed with one of the causes of action. On the scheme of the Code of Civil Procedure, it cannot therefore be held that a suit barred for misjoinder of parties or of causes of action is barred by a law, here the Code. This may be contrasted with the failure to comply with Section 80 of the Code. In a case not covered by Sub-section (2) of Section 80, it is provided in Sub-section (1) of Section 80 that "no suit shall be instituted". This is therefore a bar to the institution of the suit and that is why courts have taken the view that in a case where notice under Section 80 of the Code is mandatory, if the averments in the plaint indicate the absence of a notice, the plaint is liable to be rejected. For, in that case, the entertaining of the suit would be barred by Section 80 of the Code. The same would be the position when a suit hit by Section 86 of the Code is filed without pleading the obtaining of consent of the Central Government if the suit is not for rent from a tenant. Not only are there no words of such import in Order I or Order II but on the other hand, Rule 9 of Order I, Rules 1 and 3 of Order I, and Rules 3 and 6 of Order II clearly suggest that it is open to the court to proceed with the suit notwithstanding the defect of misjoinder of parties or misjoinder of causes of action and if the suit results in a decision, the same could not be set aside in appeal, merely on that ground, in view of Section 99 of the Code, unless the conditions of Section 99 are satisfied. Therefore, by no stretch of imagination, can a suit bad for misjoinder of parties or misjoinder of causes of action be held to be barred by any law within the meaning of Order VII Rule 11(d) of the Code.

15. Thus, when one considers Order VII Rule 11 of the Code with particular reference to Clause (d), it is difficult to say that a suit which is bad for misjoinder of parties or misjoinder of causes of action, is a suit barred by any law. A procedural objection to the impleading of parties or to the joinder of causes of action or the frame of the suit, could be successfully urged only as a procedural objection which may enable the

Court either to permit the continuance of the suit as it is or to direct the plaintiff or plaintiffs to elect to proceed with a part of the suit or even to try the causes of action joined in the suit as separate suits.

16. It cannot be disputed that the court has power to consolidate suits in appropriate cases. Consolidation is a process by which two or more causes or matters are by order of the Court combined or united and treated as one cause or matter. The main purpose of consolidation is therefore to save costs, time and effort and to make the conduct of several actions more convenient by treating them as one action. The jurisdiction to consolidate arises where there are two or more matters or causes pending in the court and it appears to the court that some common question of law or fact arises in both or all the suits or that the rights to relief claimed in the suits are in respect of or arise out of the same transaction or series of transactions; or that for some other reason it is desirable to make an order consolidating the suits. (See Halsbury's Laws of England, Volume 37, paragraph 69). If there is power in the court to consolidate different suits on the basis that it should be desirable to make an order consolidating them or on the basis that some common questions of law or fact arise for decision in them, it cannot certainly be postulated that the trying of a suit defective for misjoinder of parties or causes of action is something that is barred by law. The power to consolidate recognised in the court obviously gives rise to the position that mere misjoinder of parties or causes of action is not something that creates an obstruction even at the threshold for the entertaining of the suit.

17. It is recognised that the court has wide discretionary power to control the conduct of proceedings where there has been a joinder of causes of action or of parties which may embarrass or delay the trial or is otherwise inconvenient. In that situation, the court may exercise the power either by ordering separate trials of the claims in respect of two or more causes of action included in the same action or by confining the action to some

of the causes of action and excluding the others or by ordering the plaintiff or plaintiffs to elect which cause of action is to be proceeded with or which plaintiff should proceed and which should not or by making such other order as may be expedient. (See Halsbury's Laws of England, Vol. 37, paragraph 73). Surely, when the matter rests with the discretion of the court, it could not be postulated that a suit suffering from such a defect is something that is barred by law. After all, it is the convenience of the trial that is relevant and as the Privy Council has observed in the decision noted earlier, the defendant may not even have an absolute right to contend that such a suit should not be proceeded with."

30. In a more recent ruling, *Hema Khattar and Ors. vs. Shiv Khara* 2017 (7) SCC 716, the Supreme Court held as follows:

"In Black's Law Dictionary it has been stated that the expression 'cause of action' is the fact or facts which give a person a right to judicial relief. A cause of action, thus, means every fact, which, if traversed, it would be necessary for the Plaintiff to prove in order to support his right to a judgment of the court. In other words, it is a bundle of facts which taken with the law applicable to them gives the Plaintiff a right to relief against the Defendant. It must include some act done by the Defendant since in the absence of such an act no cause of action can possibly accrue. It is not limited to the actual infringement of the right sued on but includes all the material facts on which it is founded."

19. Order II, Rule 3, provides for the joinder of several causes of action and states that a Plaintiff may unite in the same suit several causes of action against the same Defendant, or the same Defendants jointly or several Plaintiffs having causes of action in which they are jointly interested against the same Defendant or Defendants jointly may unite them in one suit. The remedy for any possible inconvenience with regard to said Rule is supplied by the provisions of Order II, Rule 6, which authorizes the Court to order separate trials of causes of action

which though joined in one suit cannot be conveniently tried or disposed of together.

20. Similarly, Order I Rule 1 of the Code permits joinder of more than one persons any right to relief in respect of, or arising out of, the same act or transaction or series of acts or transactions is alleged to exist in such persons, whether jointly, severally or in the alternative; and if such persons brought separate suits, any common question of law or fact would arise. Order I Rule 2 provides that where it appears to the court that any joinder of Plaintiffs may embarrass or delay the trial of the suit, the court may put the Plaintiffs to their election or order separate trials or make such other order as may be expedient.

21. In this connection, it is pertinent to refer to a judgment of this Court in Ramesh Hirach and Kundanmal v. Municipal Corporation of Greater Bombay and Ors. 1992 (2) SCC 524 wherein it was held as under:

“14. It cannot be said that the main object of the Rule is to prevent multiplicity of actions though it may incidentally have that effect. But that appears to be a desirable consequence of the Rule rather than its main objectives. The person to be joined must be one whose presence is necessary as a party. What makes a person a necessary party is not merely that he has relevant evidence to give on some of the questions involved; that would only make him a necessary witness. It is not merely that he has an interest in the correct solution of some questions involved and has thought or relevant arguments to advance. The only reason which makes it necessary to make a person a party to an action is that he should be bound by the result of the action and the question to be settled, therefore, must be a question in the action which cannot be effectually and completely settled unless he is a party.”

22. In view of the foregoing discussion, we are of the opinion that the Appellants even though had different causes of action against the Respondent but it was a continuity of the agreement

dated 06.06.2009 and oral agreement is evidenced by the transcript of conversation between the Appellant No. 2 and the Respondent on 6/07.04.2011, therefore, both the Appellants could have joined as Plaintiffs in a suit and the suit is not bad for misjoinder of parties or causes of action. Hence, learned single Judge as also the division bench, was not right in giving an option to the Appellants to pursue reliefs qua Appellant No. 1 or qua Appellant No. 2 only.”

31. An indisputable conclusion from the above authorities is that there is no *per se* or threshold bar to maintainability of suits, on the *perceived ground of misjoinder of causes of action*. In more senses than one, the subject of joinder of causes of action is a mirror image of the issue of joinder of parties. *Prem Lata Nahata (supra)* clearly enunciates that “*in a case where a plaint suffers from the defect of misjoinder of parties or misjoinder of causes of action either in terms of Order I Rule 1 and Order I Rule 3 on the one hand, or Order II Rule 3 on the other, the Code itself indicates that the perceived defect does not make the suit one barred by law or liable to rejection.*” The court later analyzed Order VII Rule 11 (b) and stated that an objection to the frame of a suit, is at best a procedural one, which cannot result in rejection of a plaint. The court noticed that unlike Section 80 (of the CPC) which enacted a clear *substantive bar to the entertainment of a suit* unless a procedural step is taken, there is no such bar- or one by necessary implication which renders a suit deemed improper (as to frame of suit for misjoinder of causes of action), liable to rejection. It was noticed, importantly that the objection to joinder or misjoinder is an insufficient ground for appeal, if not raised at the earliest point. A very important conclusion in *Prem Lata Nahata (supra)* (which has nowhere been disapproved or distinguished from in any subsequent ruling by the Supreme

Court) is that objection to misjoinder (of causes of action) is *procedural* and that rejection of a suit on that count cannot be resorted to:

“Thus, when one considers Order VII Rule 11 of the Code with particular reference to Clause (d), it is difficult to say that a suit which is bad for misjoinder of parties or misjoinder of causes of action, is a suit barred by any law. A procedural objection to the impleading of parties or to the joinder of causes of action or the frame of the suit, could be successfully urged only as a procedural objection which may enable the Court either to permit the continuance of the suit as it is or to direct the plaintiff or plaintiffs to elect to proceed with a part of the suit or even to try the causes of action joined in the suit as separate suits.”

32. This court also notices that in *Girdhari Lal (Dead) by LRs. vs. Hukam Singh & Ors.* (1977) 3 SCC 347, it was held that misjoinder of causes of action cannot be a ground for rejection of a suit.

33. Now, dealing with the judgments in *Dabur (supra)* and *Dhoda House (supra)*, (which were cited by the defendants in support of the argument that disparate causes of action go to the root of a court’s jurisdiction and resultantly, such causes cannot be joined together) it is apparent that the court dealt with whether having regard to the claim in the pleadings, the court possessed *territorial* jurisdiction. In *Dhodha House*, the Supreme Court held that a passing off action should not be filed before a court (the Delhi Court) where no cause of action arose (after finding that mere advertisement in the Trade mark journal without sale of any goods did not constitute a cause of action), based on Section 62 (2) of the Copyright Act, when the plaintiff was not resident of Delhi or carried on business there. The court’s observations, however, provide a useful clue:

“Order II Rule 3 of the Code provides that the plaintiff may unite in the same suit several causes of action against the same defendant, or the same defendants jointly. The said order contemplates uniting of several causes of action in the same suit. By necessary implication, a cause of action for infringement of Copyright and a cause of action for infringement of Trade Mark or a cause of action of passing off would be different. Even if one cause of action has no nexus with another, indisputably Order II Rule 3 may apply. However, by reason of application of Order II Rule 3 of the Code ipso facto would not confer jurisdiction upon a court which had none so as to enable it to consider infringement of trade mark under the 1957 Act as also the 1958 Act.”

Later the court held that:

“For the purpose of invoking the jurisdiction of a court only because two causes of action joined in terms of the provisions of the Code of Civil Procedure, the same would not mean that thereby the jurisdiction can be conferred upon a court which had jurisdiction to try only the suit in respect of one cause of action and not the other. Recourse to the additional forum, however, in a given case, may be taken if both the causes of action arise within the jurisdiction of the court which otherwise had the necessary jurisdiction to decide all the issues.

In this case we have not examined the question as to whether if a cause of action arises under the 1957 Act and the violation of the provisions of the Trade Marks Act is only incidental, a composite suit will lie or not, as such a question does not arise in this case.”

34. In *Dabur (supra)*, the ruling in *Dhodha House (supra)* was revisited and the court noticed importantly that *“There cannot be any doubt whatsoever that the Parliament having inserted sub-section (2) in Section 62 of the 1957 Act, the jurisdiction of the Court thereunder would be wider*

than the one under Section 20 of the Code.” Clearly, the court had *territorial jurisdiction* in mind and no other bar (to entertaining a suit). This is apparent from the discussion about the underlying intent of Section 62 (2) of the Copyright Act and then, reverting to *Dhodha House* the Court stated that in that decision the plaintiff sought a trademark infringement remedy, without showing that the defendant’s goods were sold in Delhi but based on its assumption that Section 62 (2) of the *Copyright Act*, applied. The court then went on to hold that:

“29. What then would be meant by a composite suit? A composite suit would not entitle a court to entertain a suit in respect whereof it has no jurisdiction, territorial or otherwise. Order II Rule 3 of the Code specifically states so and, thus, there is no reason as to why the same should be ignored. A composite suit within the provisions of the 1957 Act as considered in Dhoda House (supra), therefore, would mean the suit which is founded on infringement of a copy right and wherein the incidental power of the Court is required to be invoked. A plaintiff may seek a remedy which can otherwise be granted by the court. It was that aspect of the matter which had not been considered in Dhoda House (supra) but it never meant that two suits having different causes of actions can be clubbed together as a composite suit.”

35. Plainly, what the court had in mind was a situation dealing with joinder of causes of action, *one of which could not be tried because the court lacked jurisdiction. That however, did not mean that per se the court had no jurisdiction to try a composite suit encompassing two causes of action.* And certainly *Dabur (supra)* never said that when the court *has jurisdiction* to try the two causes of action, though disparate, it cannot entertain it, because of disparateness. This conclusion is fortified by the court’s recognition that

Order II Rule 3 entitles the court to entertain a composite suit; the caveat only was that if jurisdiction in respect of one is lacking, the *composite* suit cannot be taken on record. In *Paragon Rubber Industries & Ors.* (supra), the Supreme Court noticed *Dhodha House* (supra), and held that:

"19. We see no conflict in the ratio of law laid down in the aforesaid two cases. In both the cases, it has been held that for the purpose of invoking the jurisdiction of the court in a composite suit, both the causes of action must arise within the jurisdiction of the court which otherwise had the necessary jurisdiction to decide all the issues. However, the jurisdiction cannot be conferred by joining two causes of action in the same suit when the court has jurisdiction to try the suit only in respect of one cause of action and not the other. In Dabur India (supra) the ratio in Dhodha House has been explained."

36. Again, long ago, in *Mahanth Ramdhan Puri v. Chaudhury Lachmi Narain*, AIR 1937 PC 42 the objection that the suit had impleaded many parties and many causes of action and that misjoinder was not merely technical, but one which, affected the merits of the case, was considered. The Privy Council held the objection to be without merit, saying that:

"It is desirable to point out that under the rules as they now stand the mere fact of misjoinder is not by itself sufficient to entitle the defendant to have the proceedings set aside or action dismissed."

37. This court also notices that interestingly, the CPC visualizes- in Order II, (per Rules 4 and 5) *what causes of action cannot be united in one suit*. These are, if one may say so, the express bar or exceptions to the rule in Order II Rule 3. The other bar is the kind visualized in Section 80 CPC, a threshold procedural step without following which a suitor cannot enter the court (which the Supreme Court characterized in *Prem Lata Nahata* (supra))

as a “bar”). Furthermore, the CPC also provides internal evidence that *misjoinder per se is not a bar to jurisdiction, and that objection cannot invalidate a decree on appeal* (Section 99- again highlighted in *Prem Lata Nahata*). Lastly, the provision in Order II Rule 6 enables the court to segregate different causes, if it is inconvenient to try them together, or it is likely to embarrass it.

38. One submission, on behalf of the defendants, was that the language of Order II Rule 6, indicates that the court has the power to segregate different causes of action and order separate trials or “*or make such other order as may be expedient in the interests of justice*”. According to counsel, this is a clear pointer to the court’s power to direct the plaintiff to segregate causes of action *at any stage*, including direction to amend the suit and file another suit with respect to the cause(s) of action that cannot be conveniently tried and in case the order is not complied with, the court has the discretion to reject the plaint. This court is of the opinion that the expression “*or make such other order as may be expedient in the interests of justice*”, may include, not only directing the court or registry to separate the trial by registering the separate causes of action, but also direct the sequencing of trial of the disparate issues, in the manner convenient. It may also extend to any other steps to facilitate the task of the court. However, this cannot extend to the power to reject the plaint, given the clear law enunciated in *Prem Lata Nahata (supra)* that disparate cause of action misjoinder is *ipso not* a “plaint rejection occasion (or event)” if one may say so.

39. Given these authorities and for the reasons discussed above, it is held that *Mohan Lal’s* conclusions – that two causes of action, one for relief in respect of passing off, and other in respect of design infringement cannot be

joined, ignoring the material provisions of Order II Rules 3 to 6, are erroneous; they are accordingly overruled.

Point No. 2

40. The defendants had argued that the reasoning in *Mohan Lal (supra)* with respect to impermissibility of joinder of the claims vis-à-vis design infringement and passing off, is sound. In this regard it was argued that there are significant differences between causes of action relating to design infringement on the one hand, and those based on allegations of passing off. Defendants had argued that (i) design infringement is based on a statutory right, whereas passing off is a common law injury; (ii) the basis of the former is design of an article, for sale, whereas the latter is based on misrepresentation; (iii) Similarly, a design infringement suit alleges that the design is novel, not based on any previous publication in India, whereas the passing off suit has to establish that the shape or mark has developed substantial goodwill and reputation and adoption of a deceptively or confusingly similar design or shape by the defendant. (iv) The defenses, likewise, are entirely different, submitted counsel: whereas in design infringement suit, cancellation based on lack of novelty or existence of previous publication can be the basis of defenses, the lack of any distinctiveness (of the plaintiff's mark or design), prior user, *bona fide* use, or lack of plaintiff's goodwill are defenses in the passing off suit. (v) Lastly it was stated that although the court of competent jurisdiction under Section 20 of the Designs Act is identical to that in passing off, as soon as a defense of cancellation is claimed by the defendant in a design infringement suit, it

has to be transferred to the High Court under Section 22 (2) of the Designs Act.

41. In regard to both causes of action, suits claims are (i) against the same defendant or set of defendants, and; (2) in respect of the same set of acts and transactions. The only difference is that the relief claimed is different. The question is whether *Mohan Lal's* understanding on the inconsistency and disparateness as to the relief being fundamental to the frame of the suit, would defeat a composite action, *per se*.

42. A registered design owner, this court notices, *facially* satisfies the test of novelty (of the product's design) and that it was not previously published. For registration, the article must contain uniqueness or novelty in regard to elements such as shape, configuration, pattern, ornament or composition of lines of colours applied to any article; further there must be a visual appeal to the article (i.e. the aesthetic appeal). However, if the defendant establishes that indeed there was no novelty, or that a similar design had been published earlier, in the public domain, the infringement claim would be repelled. In respect of a passing of claim, distinctiveness of the elements of the mark, its visual or other presentation and its association with the trader or owner needs to be established. The factual overlap here is with respect to the presentation – in the design, it is the novelty and aesthetic presentation; in a passing off action, it is the distinctiveness (of the mark) with the attendant association with the owner. To establish infringement (of a design) fraudulent imitation of the article (by the defendant) has to be proved. Likewise, to show passing off, it is necessary for the owner of the mark to establish that the defendant has misrepresented to the public (irrespective of intent) that its goods are that

of the plaintiff's; the resultant harm to the plaintiff's reputation is an actionable claim.

43. This court is also of the opinion that the Full Bench ruling in *Mohan Lal (supra)* made an observation, which is inaccurate: it firstly correctly noted that registration as a design is not possible, of a trade mark; it, however later noted that “*post registration under Section 11 of the Designs Act, there can be no limitation on its use as a trademark by the registrant of the design. The reason being: the use of a registered design as a trade mark, is not provided as a ground for its cancellation under Section 19 of the Designs Act.*” This observation ignores that the Designs Act, Section 19 (e) specifically exposes a registered design to cancellation when “*(e) it is not a design as defined under clause (d) of section 2.*” The reason for this is that Section 2 of the Designs Act, defines “*design*” as “*...the features of shape, configuration, pattern, ornament or composition of lines or colours applied to any article.....; but does not include any trade mark as defined in clause (v) of sub-section (1) of section 2 of the Trade and Merchandise Marks Act, 1958.....*” Therefore, if the registered design *per se* is used as a trade mark, it apparently can be cancelled. The larger legal formulation in *Mohan Lal (supra)*, that a *passing off action i.e one which is not limited or restricted to trademark use alone, but the overall get up or “trade dress”* however, is correct; as long as the elements of the design are not used as a trademark, but a larger trade dress get up, presentation of the product through its packaging and so on, given that a “passing off” claim can include but is also broader than infringement of a trademark, the cause of action against such use lies.

44. It is evident that there is a similarity between the nature of inferences and conclusions that are presented to the court, in the two causes of action.

Significantly, the complaint of passing off as well as that of design infringement *emanate from the same fact*: sale or offer for sale, by the defendant of the rival product. In this context, it is relevant to notice that the expression “cause of action” was explained in this incisive manner in *Kusum Ingots & Alloys v Union of India* 2004 (6) SCC 254 as:

“every fact which would be necessary for the plaintiff to prove, if traversed, in order to support his right to the judgment of the Court. Negatively put, it would mean that everything which, if not proved, gives the defendant an immediate right to judgment, would be part of cause of action.”

45. It is clear therefore, that the basic facts which impel a plaintiff to approach a court, complaining of design infringement are the same as in the case of passing off. In such circumstances, it is inconceivable that a *cause of action* can be “split” in some manner and presented in different suits. In this context, this court notes that whereas Order II Rule 3 enables plaintiffs to join disparate causes of action, Order II Rule 2 compels the whole claim to be clubbed together. Speaking on the effect of the latter (Order II Rule 2) the Supreme Court, noting its previous rulings, said in *M/s Raptakos, Brett vs M/S Ganesh Property* AIR 1998 SC 3085 is an authority for the proposition that a suit cannot be rejected as partly barred.

46. We are also of the opinion that a composite suit has the advantage of a bird’s eye view by the court, with respect to a common set of facts: if for some reason, the claim for design infringement is *prima facie* weak and the plaintiff cannot secure interim relief, it does not have to face uncertainty of another action before another court; the same court can review the same facts

and evidence, and conclude *pendente lite*, if *prima facie* passing off is made out, necessitating interim relief.

S. RAVINDRA BHAT
(JUDGE)

HIMA KOHLI
(JUDGE)

VIPIN SANGHI
(JUDGE)

VIBHU BAKHRU
(JUDGE)

DECEMBER 14, 2018

OPINION OF MR. JUSTICE VALMIKI J. MEHTA

1. The issue which is called for decision by this Full Bench of five judges is whether in one composite suit there can be joinder of two causes of action, one cause of action being of infringement by the defendant of a design of the plaintiff which is registered under the Designs Act, 2000 and the second cause of action being of passing off by the defendant of his/its goods/articles as that of the plaintiff. It is noted that in case a plaintiff in a suit does not have a design which has the benefit of being a validly registered design under the Designs Act, then such a plaintiff cannot maintain an action for infringement of a registered design by the defendant,

and such a plaintiff can then only sue on the cause of action of the defendant passing off its goods/articles as that of the plaintiff.

2. By the reference order, the ratio of the Full Bench of this Court in the case of ***Mohan Lal v. Sona Paint and Hardwares, AIR 2013 Delhi 143 (Full Bench)*** has been doubted. The judgment of the Full Bench of three Judges of this Court in ***Mohan Lal's case (supra)***, by a majority opinion of 2:1, held that the causes of action with respect to the infringement of a registered design and passing off are different and hence they cannot be joined in one composite suit. The majority opinion in ***Mohan Lal's case (supra)*** has held that on account of the different nature of the two actions, one for infringement of a registered design and other for passing off, the two actions cannot be combined. To buttress this aforesaid conclusion that there cannot be joinder of causes of action of infringement and passing off in one composite suit against the same defendant, the majority opinion in ***Mohan Lal's case (supra)*** has placed reliance upon the ratio of the judgment of the Supreme Court in the case of ***Dabur India Limited v. K.R. Industries, (2008) 10 SCC 595***. The relevant observations of the majority opinion in ***Mohan Lal's case (supra)*** laying down the ratio of disentitlement in one composite suit as joinder of causes of action of infringement and passing off, is contained in paras 24.3 and 25 of the judgment, and these paras read as under:

“24.3 Thus, the cause of action in the infringement suit under the Designs Act could be different from that which obtained in a passing off action. The fundamental edifice of a suit for infringement under the Designs Act would be the claim of monopoly based on its registration, which is premises on uniqueness, newness and originality of the design. Whereas, the action for passing off is founded on the use of the mark in the

trade for sale of goods and/or for offering service; the generation of reputation and goodwill as a consequence of the same; the association of the mark to the goods sold or services offered by the plaintiff and the misrepresentation sought to be created by the defendant by use of the plaintiff's mark or a mark which is deceptively similar, so as to portray that the goods sold or the services offered by him originate or have their source in the plaintiff. It is trite to say that different causes of action cannot be combined in one suit (See Dabur India Limited v. K. R. Industries (2008) 10 SCC 595 @ page 607 paragraph 34): (AIR 2008 SC 3123)

25. Having regard to the nature of the two actions, in our opinion, the two actions cannot be combined. Though as indicated, at the beginning of discussion of this issue if the two actions are instituted in close proximity of each other the court could for the sake of convenience try them together, though as separate causes, provided it has jurisdiction in the matter.”

(Underlining Added)

3 Since para 24.3 above in **Mohan Lal's** case (supra) has relied upon the judgment of the Supreme Court in the case of **Dabur India Ltd. (supra)** for holding that there cannot be joinder of causes of action, let us therefore refer to that conclusion contained in the culminating para 34 of the judgment in **Dabur India Ltd.'s case (supra)**, and which reads as under:

“34. What then would be meant by a composite suit? A composite suit would not entitle a court to entertain a suit in respect whereof it has no jurisdiction, territorial or otherwise. Order II Rule 3 of the Code specifically states so and, thus, there is no reason as to why the same should be ignored. A composite suit within the provisions of the 1957 Act as considered in *Dhodha House (supra)*, therefore, would mean the suit which is founded on infringement of a copy right and wherein the incidental power of the Court is required to be invoked. A plaintiff may seek a remedy which can otherwise be granted by the court. It was that aspect of the matter which had not been considered in *Dhodha House (supra)* but it never meant that two suits having different causes of actions can be clubbed together as a composite suit.”

(Underlining Added)

4. In order to understand the aforesaid observations of the Supreme Court in para 34 of the judgment in *Dabur India Ltd.'s case (supra)*, it would but be necessary to refer to the earlier relevant paras of the said judgment, and these relevant paras 9, 10, 22, 24, 25, 27, 28, 30 and 32 which read as under:

“9. Mr. Fali S. Nariman, learned senior counsel appearing on behalf of the appellant, submits that the Division Bench of the High Court committed a serious error in passing the impugned judgment in so far as it failed to take into consideration the effect of a consolidated suit under the 1957 Act as also the Trade Marks Act, 1958 (for short 'the 1958 Act'), as would be evident from the following excerpts of Dhodha House (supra):

“22. We are not concerned in this case with the maintainability of a composite suit both under the 1957 Act and the 1958 Act. Indisputably, if such a situation arises, the same would be permissible; but the same may not be relevant for the purpose of determining the question of a forum where such suit can be instituted. Sub-section (2) of Section 62 of the 1957 Act provides for a non obstante clause conferring jurisdiction upon the District Court within the local limits of whose jurisdiction, at the time of the institution of the suit or other proceeding, the persons instituting the suit or other proceedings have been residing. In terms of Sub-section (1) of Section 62, suit can be instituted and the proceedings can be initiated in respect of matters arising under the said chapter for infringement of the copyright in any work or the infringement of any other right conferred thereunder. It does not confer jurisdiction upon a District Court where the plaintiff resides, if a cause of action arises under the 1958 Act.

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43. The short question which arises for consideration is as to whether causes of action in terms of both the 1957 Act and the 1958 Act although may be different, would a suit be maintainable in a court only because it has the jurisdiction to entertain the same in terms of Section 62(2) of the 1957 Act?

44. A cause of action in a given case both under the 1957 Act as also under the 1958 Act may be overlapping to some extent. The territorial jurisdiction conferred upon the court in terms of the provisions of the Code of civil Procedure indisputably shall apply to a suit or proceeding under the 1957 Act as also the 1958 Act. Sub-section (2) of Section 62 of the 1957 Act provides for an additional forum. Such additional forum was provided so as to enable the author to file a suit who may not otherwise be in a position to file a suit at different places where his copyright was violated. Parliament while enacting the Trade and Merchandise Marks Act in the year 1958 was aware of the provisions of the 1957 Act. It still did not choose to make a similar provision therein. Such an omission may be held to be a conscious action on the part of Parliament. The intention of Parliament in not providing for an additional forum in relation to the violation of the 1958 Act is, therefore, clear and explicit. Parliament while enacting the Trade Marks Act, 1999 provided for such an additional forum by enacting Sub-section (2) of Section 134 of the Trade Marks Act. The court shall not, it is well settled, readily presume the existence of jurisdiction of a court which was not conferred by the statute. For the purpose of attracting the jurisdiction of a court in terms of Sub-section (2) of Section 62 of the 1957 Act, the conditions precedent specified therein must be fulfilled, the requisites wherefore are that the plaintiff must actually and voluntarily reside to carry on business or personally work for gain.”

10. Learned Counsel would contend that the jurisdiction of the court to entertain a composite suit under the 1957 Act and the 1958 Act should be determined having regard to the provisions of Section 55 of the former. Then term 'Law' within the meaning of the said provision, it was submitted, would not only include a statute law but also the common law and, thus, viewed from that perspective a composite suit for infringement of a copyright as also passing of shall be maintainable. Strong reliance in this behalf has also been placed on Exphar Sa and Anr. v. Eupharma Laboratories Ltd.

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22. In Dhodha House this Court was concerned with the correctness of judgments of the Allahabad High Court in Surendra Kumar Maingi v. Dodha House and the decision of the Delhi High Court at New Delhi in P.M. Diesels Ltd. v. Patel Field Marshal Industries. It was clearly held that a judgment passed by a court **having no territorial jurisdiction** is a nullity. As regards the cause of action under the 1957 Act and a cause of

action under the 1958 Act and or a passing off action, it was held that Sub-section (2) of Section 62 would confer jurisdiction on a court where the plaintiff resides. The cause of action in respect of others was stated to be where the defendant resides.

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24. Noticing that whereas in *Dhoda House* the infringement complained of primarily was that of 1958 Act and not under the 1957 Act, in *Patel Field Marshal (supra)* the thrust was on the sale of products and/or advertisement by the appellant for registration of trade marks in the *Trade Marks Journal* and other local papers. The law was stated in the following terms:

“54. For the purpose of invoking the jurisdiction of a court only because two causes of action joined in terms of the provisions of the Code of civil Procedure, the same would not mean that thereby the jurisdiction can be conferred upon a court which had jurisdiction to try only the suit in respect of one cause of action and not the other. Recourse to the additional forum, however, in a given case, may be taken if both the causes of action arise within the jurisdiction of the court which otherwise had the necessary jurisdiction to decide all the issues.”

25. What would, however, be the nature of composite suit, was also be taken note of. The Court observed:

“55. In this case we have not examined the question as to whether if a cause of action arises under the 1957 Act and the violation of the provisions of the Trade Marks Act is only incidental, a composite suit will lie or not, as such a question does not arise in this case.”

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27. Sub-section (1) of Section 55 of 1957 Act provides for the remedies in terms whereof the plaintiff shall be entitled to all reliefs by way of injunction, damages, accounts and otherwise as are or may be conferred by law for the infringement of a right. It must be read as 'ejusdem generis'. It must take its colour from the words, 'any proceeding' namely the right to obtain a decree by way of injunction, decree for damages, accounts or other incidental reliefs which can be granted by a civil court. Such a provision can be found in the Code of civil Procedure also, namely Order VII Rule 7 thereof. It is, therefore, in our opinion, would not be correct to read the word "as are or may be conferred by law" to

mean, any other law, violation whereof although would give rise to separate and distinct cause of action.

28. Under the Code claims arising under a statutes governing substantive or procedural law, a number of remedies may be combined. The Court may grant an order of injunction even in a passing off action. It is trite that where the court has the jurisdiction/power to adjudicate, it will necessarily have the incidental power therefore. It may, however, be different if the Court may have exercised a power which is not provided for as a supplemental proceeding e.g. Section 94 of the Code. (See State of Punjab and Anr. v. Devans Modern Brewaries Ltd.). Thus, whereas an incidental power is inherent in the court, a supplemental power may also be exercised, keeping in view the ultimate relief which may be granted by it. We may notice that this Court in Sakiri Vasu v. State of U.P. held that the Magistrate will have power to grant interim maintenance, although no such provision existed in Section 125 of the Code of Criminal Procedure, 1973.

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30. If a person is found to be guilty of violation of copyright he will be bound to pay damages. For the purpose of quantification of damages, taking of the accounts may be necessary and it is in this behalf the Parliament thought it fit to use the word "otherwise". Thus the power conferred by law within the meaning of Sub-section (1) of Section 55 of 1957 Act qualifies the power of the court to grant remedies as envisaged thereunder if any other cause of action arose under a different Act. An action for passing off is common law right but the same does not determine the jurisdiction of the court. For exercising such jurisdiction, the provisions of the Code would be applicable. 1957 Act being a special law would, thus, prevail over the general law, viz., the Code.

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32. There cannot be any doubt whatsoever that the Parliament having inserted Sub-section (2) in Section 62 of the 1957 Act, the jurisdiction of the Court thereunder would be wider than the one under Section 20 of the Code. The object and reasons for enactment of Sub-section (2) of Section 62 would also appear from the report of the Committee, as has been noticed by this Court being a provision which has been specially designed to confer an extra benefit upon the authors who were not in a position to institute copyright infringement proceeding before the Courts.

It is in the aforementioned context the law laid down by this Court in paragraph 13 of Dhonda House (Supra) must be understood.”

(Emphasis Supplied)

5. To understand the ratio of a case, it must be kept in mind that ratio of a case is facts dependent. The observations which are made in a judgment are as per the facts of a particular case. Ratio of a judgment is for what the judgment actually decides. In fact, the Supreme Court has cautioned in its Constitution Bench Judgment in the case of ***Padma Sundara Rao (Dead) and Others v. State of Tamil Nadu and Others, (2002) 3 SCC 533*** that the words of a judgment should not be read like a statute and even difference of a single fact can make all the difference to the ratio of two cases. These observations of the Supreme Court in the case of ***Padma Sundara Rao (supra)*** read as under:

“9. Courts should not place reliance on decisions without discussing as to how the factual situation fits in with the fact situation of the decision on which reliance is placed. There is always peril in treating the words of a speech or judgment as though they are words in a legislative enactment, and it is to be remembered that judicial utterances are made in the setting of the facts of a particular case, said Lord Morris in Herrington vs. British Railways Board . Circumstantial flexibility, one additional or different fact may make a world of difference between conclusions in two cases.”

(Underlining Added)

6(i). The facts before the Supreme Court in the case of ***Dabur India Ltd. (supra)*** were that a composite suit was filed with respect to two causes of action, where for one cause of action the court in which the suit was filed had territorial jurisdiction, and for the other cause of action the court had no territorial jurisdiction. The plaintiff in the suit filed in ***Dabur India Ltd.’s case (supra)*** pleaded an entitlement to its copyright in a carton which was

pleaded to be an artistic work under the Copyright Act, 1957. In the suit, plaintiff additionally pleaded the cause of action of passing off by the defendant of its goods as that of the plaintiff. The goods of the plaintiff in that case was a Tooth Powder called as “Dabur Red Tooth Powder” or “Dabur Lal Dant Manjan”. As regards one cause of action in that suit alleging infringement of copyright, the civil court before which the suit was filed in Delhi, the said court at Delhi had territorial jurisdiction in view of Section 62(2) of the Copyright Act, 1957 which allows a suit with respect to infringement of copyright being filed at the place where the plaintiff resided or voluntarily worked for gain or carried on business. So far as other cause of action in the suit on the cause of action of passing off was concerned, there was no territorial jurisdiction in Delhi because a passing off suit does not have the benefit of an entitlement of being filed by the plaintiff where the plaintiff resides or works for gain or carries on business, because such suit alleging passing off can only be filed in that civil court as per Section 20 CPC i.e. where either cause of action wholly or in part arises or where the defendant (not the plaintiff) resides or voluntarily works for gain or carries on business. In ***Dabur India Ltd.’s case (supra)*** the defendant was a resident of Andhra Pradesh, and therefore, the defendant filed an application under Order VII Rule 11 CPC contending that the composite suit filed was not maintainable because qua one cause of action of passing off the civil court at Delhi did not have territorial jurisdiction. That a court must have territorial jurisdiction qua both the causes of action which are joined is the ratio of the judgment of the Supreme Court in the case of ***Dhodha House v. S.K. Maingi, (2006) 9 SCC 41*** i.e. if the civil court had territorial jurisdiction qua one cause of action, then a second cause of action with respect to which

the civil court does not have the territorial jurisdiction, then such two causes of action where the court has territorial jurisdiction only qua one cause of action cannot be combined under Order II Rule 3 CPC for giving territorial jurisdiction to a court *qua* a cause of action for which the court did not have territorial jurisdiction, and the Supreme Court for holding so in the case of ***Dhodha House (supra)*** placed reliance upon the first few words in Order II Rule 3 CPC which read “save as otherwise provided” i.e. save as otherwise provided being the provisions of Sections 16 to 20 CPC. It is therefore in the context of joinder of causes of action only specifically *qua* the subject of territorial jurisdiction existing in the court *qua* both the causes of action, that the issue was deliberated upon and decided in ***Dabur India Ltd.’s case (supra)*** because the argument which was urged on behalf of Dabur India Ltd./plaintiff in the said case was with respect to a composite suit of infringement of design and passing off being maintainable even if for one cause of action for passing off the court did not have territorial jurisdiction and for which entitlement Dabur India Ltd. placed reliance upon the observations made by the Supreme Court in para 22 in the case of ***Dhodha House (supra)***. In light of such factual situation, the Supreme Court in ***Dabur India Ltd.’s case (supra)*** held and negated the contention urged by the Dabur India Ltd. that a composite suit joining two causes of action of infringement and passing off can be filed in one civil court, although for one cause of action of passing off pleaded in the civil suit, the civil court in which the suit has been filed does not have the territorial jurisdiction. This is so clarified by the Supreme Court in its above quoted para 22 of its judgment in ***Dabur India Ltd.’s case (supra)*** by reference to the judgment in the case of ***Dhodha House (supra)*** that the issue in the case

of *Dhodha House (supra)* pertained to the issue of disentitlement of filing a composite suit joining two causes of action when *qua* one cause of action, the civil court had no territorial jurisdiction and it was held that a composite suit filed by joining two causes of action, can only be filed in a court which has territorial jurisdiction *qua* both the causes of action. Similar observations have been made by the Supreme Court in the above quoted para 24 of the judgment in the case of *Dabur India Ltd. (supra)* by reference to para 54 of the judgment in a case of *Dhodha House (supra)*.

6(ii). While so holding that a composite suit can be filed only in that court which has territorial jurisdiction *qua* both the causes of action, the Supreme Court in *Dabur India Ltd.'s case (supra)* then went to the further aspect of a composite suit of that type where in the suit there exists one main cause of action and relief, and the second cause of action is such by which the relief prayed is only incidental to the main and first cause of action, and *qua* this aspect, in para 25 in *Dabur India Ltd.'s case (supra)*, the Supreme Court has observed that this aspect had not been decided in *Dhodha House's case (supra)*. Supreme Court in *Dabur India Ltd.'s case (supra)* then proceeded to decide as to what is an incidental power to be exercised with respect to a suit in which the civil court has jurisdiction *qua* the main cause of action, and it was held that a court always has an incidental power to give necessary reliefs once the court otherwise has jurisdiction and the power to adjudicate the main cause of action, i.e. there can be filed a 'composite suit' for two causes of action where the second cause of action is essentially a right incidental to or supplemental to the main relief arising out of the main cause of action. This is stated by the Supreme Court in above quoted para 28

of the judgment in *Dabur India Ltd.'s case (supra)*, and in this para it is further clarified that in certain cases besides an incidental power even supplemental power can be exercised. Supreme Court however ultimately clarified and laid down the ratio in para 34 that though a composite suit can be filed with respect to main cause of action with relief arising therefrom, and also for an incidental relief for which the incidental power of the civil court is exercised by the court where the civil suit is filed, yet it has clearly been clarified that where the court hearing the civil suit has no territorial jurisdiction, partly or otherwise, a composite suit would not be entertained *qua* the second main cause of action for which the court has not territorial jurisdiction. It was accordingly concluded in terms of the last line of para 34 in the case of *Dabur India Limited (supra)* that two suits having different causes of action cannot be clubbed for being filed as a composite suit, and it is essentially this last line in para 34 in the judgment in the case of *Dabur India Limited (supra)* which has been relied by the majority opinion in the case of *Mohan Lal (supra)* to hold that there cannot be filed a composite suit having two causes of action of infringement and passing off.

7. Thus it is seen that neither in *Dhodha House's case (supra)*, and nor in the case of *Dabur India Limited (supra)*, the issue had arisen with respect to joinder of causes of action in one composite suit of infringement of registered design and passing off inasmuch as both the judgments in the cases of *Dhodha House (supra)* and *Dabur India Limited (supra)* were concerned with, and as stated above, whether a civil suit can be entertained by a civil court where the civil suit joins two causes of action but where *qua* one causes of action the civil court did not have territorial jurisdiction to

decide the suit. We would therefore once again take note of the observations of the Supreme Court in the case of *Padma Sundra Rao (supra)* that ratio of a case is facts dependent and even difference of a single fact can make a difference to the ratio of a case, and therefore, once the issue before the Supreme Court neither in the case of *Dhodha House (supra)* nor in the case of *Dabur India Limited (supra)* was with respect to joinder of causes of action with respect to a composite suit having two causes of action of infringement of a registered design and passing off, the observations in the case of *Dabur India Limited (supra)* really could not have been relied upon by the majority opinion in the case of *Mohan Lal (supra)* to hold that in one composite suit filed in a civil court there cannot be joinder of two causes of action of infringement of a registered design and passing off.

8. We must at this stage however hasten to observe that in the case of *Mohan Lal (supra)* the majority opinion not only relied upon the observations of *Dabur India Limited (supra)* for holding that there cannot be joinder of causes of action of infringement of a registered design and passing off, inasmuch as in paras 24.3 and 25 of the judgment in the case of *Mohan Lal (supra)* it was held by the majority that the nature of two actions and the fundamental edifices of two causes of action of infringement and passing off were different, i.e. in effect the majority opinion in the case of *Mohan Lal (supra)* held that there would arise no common questions of law and fact between the two causes of action of infringement of a registered design and passing off, and once there would arise no common questions of law and fact, therefore it was held that there cannot be a composite suit

joining the two causes of action of infringement of registered design and passing off.

9. The issue therefore which is required to be squarely addressed by this Full Bench is as to whether there would arise common questions of facts and law in the two causes of action of infringement of registered design and passing off so that these two causes of action can be joined under Order II Rule 3 CPC, and which is an issue which was not decided either in ***Dabur India Ltd.'s*** case (*supra*) or in the case of ***Dhodha House*** (*supra*). Before however we go on this aspect, the general law with respect to joinder of causes of action under Order II Rule 3 CPC can be usefully referred to and as held in the case of ***Prem Lata Nahata and Another v. Chandi Prasad Sikaria, (2007) 2 SCC 551***. The relevant ratio of the judgment of the Supreme Court in the case of ***Prem Lata Nahata and Another*** (*supra*) is contained in paras 11, 18 and 22 and these paras read as under:-

“11. Order 2 deals with frame of suits. It provides that every suit shall be framed as far as practicable so as to afford ground for final decision upon the subjects in dispute and to prevent further litigation concerning them. It is also insisted that every suit shall include the whole of the claim that a plaintiff is entitled to make in respect of its subject matter. There is a further provision that the plaintiff may unite in the same suit several causes of action against the same defendant and plaintiffs having causes of action in which they are jointly interested against the same defendant, may unite such causes of action in the same suit. It provides that objection on the ground of misjoinder of causes of action should be taken at the earliest opportunity. It also enables the Court, where it appears to the Court that the joinder of causes of action may embarrass or delay the trial or otherwise cause inconvenience, to order separate trials or to make such other order as may be expedient in the interests of justice.

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18. It cannot be disputed that the court has power to consolidate suits in appropriate cases. Consolidation is a process by which two or more causes or matters are by order of the Court combined or united and treated as one cause or matter. The main purpose of consolidation is therefore to save costs, time and effort and to make the conduct of several actions more convenient by treating them as one action. The jurisdiction to consolidate arises where there are two or more matters or causes pending in the court and it appears to the court that some common question of law or fact arises in both or all the suits or that the rights to relief claimed in the suits are in respect of or arise out of the same transaction or series of transactions; or that for some other reason it is desirable to make an order consolidating the suits. (See Halsbury's Laws of England, Volume 37, paragraph 69). If there is power in the court to consolidate different suits on the basis that it should be desirable to make an order consolidating them or on the basis that some common questions of law or fact arise for decision in them, it cannot certainly be postulated that the trying of a suit defective for misjoinder of parties or causes of action is something that is barred by law. The power to consolidate recognised in the court obviously gives rise to the position that mere misjoinder of parties or causes of action is not something that creates an obstruction even at the threshold for the entertaining of the suit.

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22. In the case on hand, we have also to reckon with the fact that the suits filed by the respondent against the respective appellants based on the transactions combined together by the appellants, have already been withdrawn for a joint trial with the present suit, C.S. No. 29 of 2003. In those two suits, the nature of the transaction the respective appellants had with the respondent have to be decided after trial. In the present suit, the appellants are claiming the payments which also form the basis of the claim of the respondent against the respective appellants in his two suits. In the present suit, C.S. No. 29 of 2003, all that the appellants have done is to combine their respective claims which are in the nature of counter claims or cross suits to the suits filed by the respondent. The ultimate question for decision in all the suits is the nature of the transactions that was entered into by the respondent with each of the appellants and the evidence that has to be led, in both the suits, is regarding the nature of the respective transactions entered into by the respondent with each of the appellants. To a great extent, the evidence would be common and there will be no embarrassment if the causes of action put forward by the

appellants in the present suit are tried together especially in the context of the two suits filed by the respondent against them and withdrawn for a joint trial. In the case on hand, therefore, even assuming that there was a defect of misjoinder of causes of action in the plaint filed by the appellants, it is not a case where convenience of trial warrants separating of the causes of action by trying them separately. The three suits have to be jointly tried and since the evidence, according to us, would be common in any event, the Division Bench was in error in directing the appellants to elect to proceed with one of the plaintiffs and one of the claims. We do not think that on the facts and in the circumstances of the case one of the appellants should be asked to file a fresh plaint so as to put forward her claim. Even if such a plaint were to be filed, it will be a clear case for a joint trial of that plaint with the present suit and the two suits filed by the respondent. In any event, therefore, the Division Bench was not correct in interfering with the decision of the learned single judge. The effect of withdrawal of the two suits filed by the respondent against the appellants for a joint trial has not been properly appreciated by the Division Bench. So, on the facts of this case, the decision of the Division Bench is found to be unsustainable and the course adopted by it unwarranted.”

(Emphasis Supplied)

10. The ratio of the judgment in the case of ***Prem Lata Nahata and Another (supra)*** is that with respect to entitlement or otherwise of joinder of causes of action, the question to be asked is as to whether the evidence to be led in the two causes of action would be common, and if the substantial evidence of two causes of action would be common, then there can be joinder of causes of action under Order II Rule 3 CPC. Putting it negatively if the evidence is for the most part different of the two causes of action, then there cannot be joinder of causes of action.

11. Therefore since the crux of the matter for joinder of causes of action under Order II Rule 3 CPC is to see if common questions of law and facts arise in two separate causes of action and whereupon there can be joinder of causes of action under Order II Rule 3 CPC in one composite suit

which joins two causes of action, therefore we now proceed to examine as to whether there would exist common questions of law and fact in the two causes of action of infringement of registered design and passing off. For so deciding first it would be necessary to refer to the meaning of cause of action. Meaning of cause of action is explained by the Supreme Court in its judgment in the case of ***Kusum Ingots & Alloys Ltd. v. Union of India and Another, (2004) 6 SCC 254***. The relevant paras 6 to 9 of the judgment read as under:

“6. Cause of action implies a right to sue. The material facts which are imperative for the suitor to allege and prove constitute the cause of action. Cause of action is not defined in any statute. It has, however, been judicially interpreted inter alia to mean that every fact which would be necessary for the plaintiff to prove, if traversed, in order to support his right to the judgment of the Court. Negatively put, it would mean that everything which, if not proved, gives the defendant an immediate right to judgment, would be part of cause of action. Its importance is beyond any doubt. For every action, there has to be a cause of action, if not, the plaint or the writ petition, as the case may be, shall be rejected summarily.

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9. Although in view of Section 141 of the Code of Civil Procedure the provisions thereof would not apply to writ proceedings, the phraseology used in Section 20(c) of the Code of Civil Procedure and clause (2) of Article 226, being in pari materia, the decisions of this Court rendered on interpretation of Section 20(c) CPC shall apply to the writ proceedings also. Before proceeding to discuss the matter further it may be pointed out that the entire bundle of facts pleaded need not constitute a cause of action as what is necessary to be proved before the petitioner can obtain a decree is the material facts. The expression material facts is also known as integral facts.”

(Underlining Added)

12. Let us now accordingly examine as to what are the bundle of facts, or the bundle of material facts, in the two causes of action of infringement of a registered design and passing off, and as to whether there would arise common questions of law and fact in the two bundle of facts of the two causes of action of infringement of registered design and passing off.

13. To decide the issue of existence of common questions of law and fact in the two causes of action of infringement of a registered design and passing off, at this stage it would be instructive to refer to a judgment passed by the Division Bench of this Court in the case of *M/s. Jay Industries v. M/s. Nakson Industries*, 1992 SCC Online Del 84; AIR 1992 Del 338 because this judgment lays down the ratio for the issue at hand as to when there can be joinder of causes of action. This judgment was passed on a reference by a learned Single Judge of this Court to the Division Bench, to decide as to whether there can be joinder in one suit of two causes of action, one being of infringement of plaintiff's trademark and second of the plaintiff's claim to a copyright in a label of the plaintiff. The relevant paras 1 to 3 and 5 to 7 of the judgment in the case of *Jay Industries (supra)* are reproduced as under:

"1. The question which has been referred to this Bench, by a Single Judge of this Court, turn decision is whether a single suit can be filed when it is alleged that there has been an infringement of the plaintiff's trade mark and copy right. In other words can one suit be filed in relation to two distinct statutory causes of action.

2. The plaintiff in the suit had alleged that the defendant had infringed the plaintiff's registered trade mark and also its copy right. The allegation was that the plaintiff's copy right existed on the labels and carton in which goods had been packed which carried the trade mark of the plaintiff. With

regard to the trade mark the allegation was that-the plaintiff was the registered proprietor of the mark "JAY". It was also: alleged, with relation to the copy right, that the plaintiff had been using distinctive cartons in which the goods manufactured by the plaintiff namely, locks, meters, cut outs etc. were packed. It was further alleged in the plaint that the defendant was infringing the plaintiff's aforesaid registered trade mark and also the copy right which existed in the artistic work on the cartons of the plaintiff. Based on this allegation the suit was filed for injunction and damages.

3. Before issuing summons the learned single Judge passed an order dated 18th September, 1990 in which it was, inter alia, stated that the plaintiff had alleged that two distinct statutory rights had been violated, namely, the right granted by The Trade and Merchandise Marks Act and the other right granted by the Copy Right Act. After referring to Order II Rule 6, Civil Procedure Code the learned single Judge was of the opinion that where two distinct statutory causes of action existed which will require different kinds of proof then it would not be convenient to try them as a part of the same suit. Because the learned Single Judge did not agree with the observations of G. R. Luthra, J. in the case of Glaxo Operations U.K.. Ltd. Middlesex (England) v. Samrat Pharmaceuticals Kanpur AIR 1984 Delhi 265 (1) wherein a contrary view had been taken, he directed that this issue be referred to a larger Bench. It is as a consequence thereof that the reference has been heard by us.

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5. Coming to the point in issue it appears that the consistent view of this Court has been that in a suit similar to the present one separate causes of action can be combined. Three different Judges of this Court had occasion to deal with this matter in Deepchand Arya v. Kiran Soap Works 1981 Raj LR 113(2) at page 117; Tata Oil Mills Company Ltd. v. Reward Soaps Works, AIR 1983 Delhi 286 and AIR 1984 Delhi 265(3) (supra). It was held, and in our opinion rightly, that these two different causes of action can be agitated upon in a single suit.

6. In the present case there is one plaintiff and one defendant. The two different causes of action in effect pertain to tile same transaction. The allegation of the plaintiff is that the defendant is selling goods by mislabeling them and by infringing the trade mark and copy right of the plaintiff. The sale is alleged to be made in cartons similar to the ones in which the plaintiff had a copy right and it is further alleged that those cartons contain the trade mark which is registered in the

plaintiff's name. A single transaction of sale by the defendant, in effect; allegedly results in the infringement of both the trade mark and copy right of the plaintiff.

7. **The Code of Civil Procedure clearly contemplates joinder of causes of action as is evident from Order II Rule 3 Civil Procedure Code . It is permissible and up to the plaintiff, to units in the same suit several causes of action against the same defendant. There is no prohibition against the causes of action being joined together under The Trade and Merchandise Marks Act and The Copy Right Act. A single suit like the present would clearly avoid multiplicity of proceedings and while agreeing with the earlier decisions of this Court we would answer the reference by observing that, on the basis of the averments made in the plaint, a single suit relating to two different causes of action viz., Trade Mark and Copy Right is maintainable.”**

(Emphasis Supplied)

14. A reading of the observations made in the judgment of *M/s. Jay Industries (supra)* shows that the Division Bench was of the view that two different causes of action in fact can be a part of the same transaction. The same transaction is that transaction of the selling of goods by the defendant by packing and labeling them in such a manner which infringes the trademark and the copyright of the plaintiff. In such facts there would be common bundle of facts in the two causes of action of infringement of trademark and copyright, because there is a single and same transaction of sale of the goods by the defendant of its goods in cartons under being similar to the cartons in which the plaintiff sells its goods and which as per plaintiff results in violation of his rights in his registered trade mark and copyright in his label. The Division Bench has concluded that since the transaction of sale by the defendant in effect results in the infringement of both the trademark rights and violation of copyright of the plaintiff, therefore under Order II Rule 3 CPC it is permissible to join the two causes of action against

the same defendant and that in fact in such cases the joinder of causes of action would result in avoidance of multiplicity of proceedings.

15. It is therefore seen that once a transaction of sale which is impugned by the plaintiff results in infringement of two rights of the plaintiff of infringement of plaintiff's trademark and violation of plaintiff's copyright, since there would be common questions of law and facts because it is the transaction of sale with its bundles of facts which is impugned being common in both the causes of action, therefore joinder of causes of action can take place under Order II Rule 3 CPC, and ought to be done because this will avoid multiplicity of proceedings, hence keeping this ratio laid down by the Division Bench of this court in the case of *M/s. Jay Industries (supra)* in mind alongwith the ratio of the judgment of the Supreme Court in the case of *Prem Lata Nahata and Another (supra)*, as also the meaning of the expression "cause of action" as expounded in *Kusum Ingots & Alloys Ltd.'s* case (supra), let us forthwith examine as to what are the material facts of the two causes of action of infringement of registered design and passing off by the defendant of the article of the defendant which is similar or identical to the design-article of the plaintiff.

16(i). In a suit for infringement of registered design the requirement is of pleading existence of a registered design. Once a design is registered in favor of person under the Designs Act then such a person in whose name the design is registered, has for a period of ten years (plus five years) exclusive right to manufacture the goods/articles as per the registered design vide Sections 11 and 22 of the Designs Act.

16(ii). In a suit alleging infringement of registered design, the defences which are available to a defendant essentially are three fold, firstly of their being prior publication of the registered design and which design is found in the public domain, secondly of whether the registered design even if is different/variation of a design existing in public domain yet the difference(s)/variation(s) do not cause the design of the plaintiff to be a new or original design because plaintiff's design is only a trade variation of an existing design or that such variations do not give newness or originality to the plaintiff's goods/articles adopting the design, and thirdly as to whether the article being sold by the defendant is a fraudulent or obvious imitation of the article of the plaintiff containing the registered design. It bears note that the words "fraudulent or obvious imitation" which are found in Section 22 of the Designs Act, have their flavor similar to the words identity/identical or deceptively similar as are found in Section 29 of the Trade Marks Act.

16(iii). In a passing off action filed by a plaintiff, the plaintiff has/claims ownership of a design because of shape, features, combination of colours, etc of the goods of the plaintiff being used by plaintiff as a trade-mark, and that such user is so duly envisaged as legal as per the definitions of the expressions 'mark' and 'trademark' in Sections **2(1)(m) and (zb)** of the Trade Marks Act and that the transaction of sale by the defendant of its articles containing the same shape or features or combination of colours etc etc results in the sale by the defendant of its goods being passed off as that of the plaintiff. 17. Therefore once the transaction of sale is the same transaction which will be in question in both the causes of action of infringement of a registered design and passing off, a substantial part of the

bundles of facts of the two actions will be same as to whether or not the article being sold by the defendant of a particular design is or is not a fraudulent or obvious imitation (identical or deceptively similar) to the article of the plaintiff, therefore, there will clearly exist common set of facts with respect to the actions of passing off and the defence of the defendant of the defendant's goods/articles not being a fraudulent or obvious imitation by the defendant of the articles/goods of the plaintiff, resulting in arising of common questions of law and fact in the two actions of infringement of the registered design and passing off.

18. On account of existence of common questions of law and fact between the two causes of action of infringement of a registered design and passing off, therefore to a considerable extent, the evidence of the two causes of action will be common. In such a situation to avoid multiplicity of proceedings there should take place joinder of the two causes of action of infringement of a registered design and passing off against the same defendant in one suit, otherwise multiplicity of proceedings will result in waste of time, money and energy of the parties and also of the courts.

19. The reference is answered by holding that one composite suit can be filed by a plaintiff against one defendant by joining two causes of action, one of infringement of the registered design of the plaintiff and the second of the defendant passing off its goods as that of the plaintiff on account of the goods of the defendant being fraudulent or obvious imitation i.e identical or deceptively similar, to the goods of the plaintiff.

VALMIKI J. MEHTA
(JUDGE)

DECEMBER 14, 2018

ORDER OF COURT ON REFERENCE

For the views expressed above, the reference is hereby answered by holding that a composite suit that joins two causes of action – one for infringement of a registered design and the other for passing off, of the plaintiff's goods – is maintainable.

The reference is answered accordingly. The Registry is directed to list the suit for appropriate directions before the concerned roster judge.

S. RAVINDRA BHAT
(JUDGE)

HIMA KOHLI
(JUDGE)

VIPIN SANGHI
(JUDGE)

VALMIKI. J. MEHTA
(JUDGE)

VIBHU BAKHRU
(JUDGE)

DECEMBER 14, 2018