

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Reserved on	Delivered on
20~09~2019	25~09~2019

CORAM:

THE HONOURABLE MR.JUSTICE **N. SATHISH KUMAR**

A.No.4083 of 2019
in C.S.No.103 of 2019
and O.A.No.109 of 2019

1. K.K. Rajan
Trading as Shar Industries
801/1A, Sitra Road,
Sharp Nagar, Kalapatti,
Coimbatore - 641 048.
 2. Sharp Industries,
New No.234, Old No.143,
Angappa Naicken Street,
Parrys, Chennai 600001.
- .. Applicants/Defendants

.Vs.

M/s.V. Vidhya Industries,
a Registered Partnership Firm
No.6/1, Nehru Street, Avinashi Road,
Peelamedu,
Coimbatore - 641004.

.. Respondent/Plaintiff

* * *

Prayer: Application is filed to revoke the leave to sue granted to the Plaintiff on 30.01.2019 in Application No.792 of 2019.

For Applicants : Mr.K. Harishankar

For Respondent : M/s. Suba Shiny

ORDER

This Application has been filed to revoke the leave to sue granted to the Plaintiff on 30.01.2019 in Application No.792 of 2019.

2. It is the main contention of the applicants/defendants that both the Plaintiff and defendants are carrying on business in Coimbatore and not within the jurisdiction of this Court. This suit has been filed before this Court and leave to sue is obtained by the plaintiff on the alleged ground that the second defendant has its business address in Chennai. The defendants doing their business viz., monobloc pumps and other pumps of various kinds, hand operated agricultural implements, tools, hand pumps, etc., at Coimbatore under the name and style of Sharp Industries since 1979. They have been selling several of its products under the brand name "SHARP". It is his

further contention that the defendants have no business address in Chennai and even till date the defendants have not carrying on their business in Chennai in the address stated by the Plaintiff. No part of cause of action has arisen before this Court. By virtue of Section 134 of Trademarks Act 1999, the suit has to be instituted at a place where the plaintiff resides or carries on business or personally works for gain or where Defendant is residing or where cause of action wholly or in part arises. The Plaintiff is residing and carrying on business at Coimbatore where the defendant is also residing.

3. It is the contention of the Respondent/Plaintiff that the Second Defendant has its place of business at Chennai and the goods of the defendants are available at Chennai through the 2nd defendant on a commercial scale. The averment in the plaint alone relevant for deciding cause of action. Whether or not the defendants are carrying on their business in Coimbatore or at Chennai can be decided only at the time of trial. Since the defendants are selling the product of 1st defendant materials at Chennai, this Court is having jurisdiction.

4. Learned counsel appearing for the applicant would contend that no cause of action arose within the jurisdiction of this court. The plaintiff is residing at Coimbatore and the Defendant is also residing in Coimbatore. Such being the position, filing the suit before this court is not maintainable. At the most the suit has to be filed only before the District of Coimbatore. It is his further contention that the Second Respondent name is added as 'Sharp Industries' and address has given at Chennai. But the Defendant has no business in Chennai. Therefore, his contention that no cause of action arose within the jurisdiction of this Court. Even assuming that goods are available with the trade mark of plaintiff and entire cause of action arose within the jurisdiction Coimbatore Court, not before this Court. It is also his contention that when the plaintiff and the defendants are residing in a place where the cause of action arose only the courts in that place have a jurisdiction. Even, part of cause of action arise within the local limits, the doctrine of Forum Conveniens has to be applied. In such a situation, only in the courts at Coimbatore alone have jurisdiction. Convenience of all the parties has to be seen and forum conveniens also to be applied. In view of the same, the leave to sue granted to the plaintiff has to be

revoked. In support of his contention, he relied upon the judgment in ***Duro Flex Pvt. Ltd., v. Duroflex Seatings System 150 [2014 (6) CTC 577]***.

5. The learned counsel appearing for the Respondent submitted that to decide whether the leave granted should be revoked, the averments in the plaint and the documents filed by the plaintiff alone are relevant. The defence of the defendant that he has not doing any business in Chennai is not relevant at all in deciding the leave applications. It is her contention that the second defendant has its office at Chennai and the goods of the defendants are easily available at Chennai. Such being the position the alleged trade mark adopted by the plaintiff and the goods are available within the jurisdiction of this Court, this Court has certainly has jurisdiction. Therefore the application to revoke the leave to sue granted cannot be entertained. It is her further contention that the doctrine of Forum Conveniens cannot be pressed into service, even the legal notice has been sent by the defendant from Chennai. That being the position, the Forum Conveniens theory cannot be pressed into service. In support of her

contention he relied upon the judgment in ***Micro Labs Limited vs. Eris Life Sciences Pvt. Ltd., [2015(64) PTC 9 (Mad)]*** and ***Parle Products Private Limited vs. Surya Food & Agro Limited [2009 (40) PTC 638 (Mad.)(DB)]***.

6. The suit has been filed mainly on the ground that the plaintiff is manufacturer and selling of all kinds of motors and pumps viz., Single Phase Monoblocks, Self Priming Monoblocks, V4 & V6 Submersible Pumps and Open well Monoblocks pumps. The plaintiff has adopted several marks and one such being the SHARP FORCE, which the plaintiff adopted during its course of business in the year 2011. The plaintiff honestly conceived and adopted an unique and arbitrary mark SHARP FORCE and have been using the same continuously and extensively since then. On 7.1.2019 the plaintiff has received a legal notice dated 4.1.2019 from the first defendant to cease and desist from using the said mark on the garb of trade mark registration obtained by the first defendant for the mark SHARP FORCE under No.3601398 in class 07. It is the contention the plaintiff that the first defendant has been using is the identical mark only since 18.04.2012,

which is subsequent to the adoption and use of the mark SHARP FORCE by the plaintiff. According the Plaintiff they are clear adopter and user of the mark SHARP FORCE.

7. The defendants also selling products with identical mark. Their goods also available in Chennai. Hence, the suit for permanent injunction restraining the defendant in any manner passing of or enabling other to pass off or enabling other to pass of the defendant's products as and for that of Plaintiff's products.

8. The suit has been filed after the leave leave obtained from this Court under Clause 12 of Letters Patent. It is relevant to note that the Plaintiff is residing and carrying on business at Coimbatore. The First Defendant is also residing and carrying on business. Only the second Defendant's address has given at Chennai. Normally, the pleadings/ averments, in the plaint alone are material for deciding the leave applications. In **Madanlal Jain vs. Madanlal and others [AIR 1949 Calcutta 495]** it is held that the balance of convenience is a material consideration in the exercise of discretion under Clause 12 of the

Letters Patent and enunciated the following legal principles:

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

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

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

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

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

(f);

(g) that in giving or refusing leave or

maintaining or revoking leave, the court will ordinarily take into consideration the balance of convenience and may, if the balance is definitely in favour of the defendant, apply the doctrine of forum conveniens;

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

(i);

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

The said view was approved in the affirmative by the Supreme Court of India in ***Kusum Ingots and Alloys Ltd., Vs. Union of India and another [2004 (6) SCC 254]***.

9. The suit has been filed on the ground that the plaintiff was

prior user of the mark whereas the defendant has obtained subsequent registration. Both the Plaintiff and Defendant are permanently doing business at Coimbatore. In the Full bench judgment of this Court in ***Dura Flex Pvt. Ltd., case*** (supra) in para 31 it is held as follows:

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

From the above it can be seen that when the application for revocation is filed, the parties inconvenience, ill-motive, bad faith and malafide intention also could be a ground for revocation of leave.

10. In ***Dura Flex Pvt. Ltd., case*** (supra), the Full Bench of this Court has further held as follows:

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

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

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

53. In paragraph 31 aforesaid, three situations have been set out which arise for grant of leave arising out of a trademark infringement. In two eventualities, the question of obtaining prior leave would not arise, i.e., when the plaintiff resides within the jurisdiction of the Court, benefit conferred by [Section 134\(2\)](#) of

the Trade and *Merchandise Marks Act*, 1958 and when the defendant resides within the jurisdiction of the Court. It is in the third eventuality which is material for the controversy. On the plea of the appellant that the situs of the Trademark Registry within the jurisdiction of the Court would give a part of cause of action on the issue of registration of the trademark alone being sufficient, we have already given a finding under the first question of law aforesaid. Thus, a bundle of facts would determine whether the cause of action has arisen qua the trademark infringement within the jurisdiction of the Court.

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

"The concept of forum conveniens fundamentally means that it is obligatory on the part of the Court to see the convenience of all the parties before it. The convenience in its ambit and sweep would include the existence of more appropriate forum, expenses involved, the law relating to the lis,

verification of certain facts which are necessitous for just adjudication of the controversy and such other ancillary aspects. The balance of convenience is also to be taken note of. The principle of forum conveniens in its ambit and sweep encapsulates the concept that a cause of action arising within the jurisdiction of the Court would not itself constitute Court to entertain the matter. While exercising jurisdiction under Articles 226 and 227 of the Constitution of India, the Court cannot be totally oblivious of the concept of forum conveniens."

The conclusion thus arrived at was that the principles of forum conveniens, though applicable to the international law as a principle of Comity of Nations, would apply to the discretionary remedy under [Article 226](#) of the Constitution of India.

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

and the Full Bench finally held as follows:

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

11. In **Micro Labs Limited case** (supra), the Division Bench of this Court has held that Section 62 of the Copy Right Act and section 134 of the Trademarks Act have to be interpreted in a purposive manner and that a suit can be filed by the Plaintiff at a place where he is residing or carrying on business or personally works for gain and he need not travel to file a suit to a place where the defendant is residing or carrying on business at a place where cause of action, wholly or in part arises, however, if the plaintiff is residing or carrying on business at a place where cause of action, wholly or in part, has arisen, he has to file a suit at that place.

12. In another Division Bench of this Court in **Parle Products Private Ltd., case** (supra), it is held that the questions of difficulty

and importance cannot be dealt within the application to revoke the leave, under Clause 12 of the Letters Patent. However, the Full Bench of this Court and other Division Bench have held that suitability of the forum would be material and the forum conveniens would apply while granting leave.

13. Though it is alleged in the plaint that the defendant's goods are also available at Chennai the entire cause of action for the alleged passing of goods and the defendant alleged adoption of prior mark of the plaintiff arose only within the jurisdiction of the Coimbatore Courts, where the plaintiff and first defendant are residing at Coimbatore. Such being the position even assuming that whether certain goods are marketed at Chennai part of the cause of action arose within the local jurisdiction of this Court, as per the dictum laid down by the Supreme Court and the judgment of the Full Bench of this Court, convenience of all the parties has to be seen. Therefore, mere fact that the part of the cause of action arose within this court itself may not be considered to determine the jurisdiction.

14. Admittedly in this case alleged adoption of the Plaintiff mark took place in Coimbatore and the plaintiff is residing within the jurisdiction of Coimbatore. As per Section 134 of the Trademarks Act, the suit can be filed by the plaintiff the place where he is residing and carrying on business. He need not travel to file the suit where the defendant is residing irrespective of cause of action wholly or partly arose such a place. However, in the given case, not only the cause of action arose within the jurisdiction of Courts at Coimbatore, but also the plaintiff and first defendant are also residing in Coimbatore. It will be convenient for both sides to agitate the matter in Coimbatore. In view of the above this Court is of the view that the leave granted by this Court necessarily to be revoked applying the principle of forum conveniens.

15. Accordingly, this Court hold that the suit is not maintainable and the leave granted by this Court is liable to be revoked and accordingly the same is revoked. The plaint is returned. Registry is directed to return the plaint with all material documents within fifteen (15) days from today. Thereafter the Plaintiff shall represent the same

before the learned Principal District Judge, Coimbatore within one month and proceed further. On such representing the matter, the learned Principal District Judge, Coimbatore is directed to issue notice to the Defendants and proceed the matter in accordance with law.

16. In the result, the Application is allowed. Plaint is returned.
Connected O.A.is closed.

25.09.2019

Index : Yes / No
Internet: Yes
Speaking/Non-speaking order
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The Principal District Judge,
Coimbatore.

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