

IN THE HIGH COURT OF JUDICATURE AT MADRAS

RESERVED ON	08.10.2020
PRONOUNCED ON	11.11.2020

CORAM

THE HONOURABLE MR.JUSTICE R.SUBBIAH
AND
THE HON'BLE MR.JUSTICE C.SARAVANAN

O.S.A.NOS.38, 40 & 42 OF 2020
AND
C.M.P.NOS.1518, 1538 & 1544 OF 2020
(THROUGH VIDEO CONFERENCING)

Sulphur Mills Limited,
604, 605, 6th Floor,
349 Business Point,
Western Express Highway,
Andheri (E), Mumbai - 400 069,
Maharashtra, India,
Rep.by its Power Agent
Mr.DipakMundra.

.... Appellant
in all O.S.As.

Vs.

1. M/s.Dayal Fertilizers Pvt. Limited,
Delhi Road, Partapur,
Meerut - 250 103.

2. M/s.Him Bio Agro,
807, Plot No.3B1,
8th Floor, Jaksons Crown Height,
Twin Distt Centre,
Sector - 10, Rohini,
New Delhi - 110 085,
BathuBathri Industrial Area,
Tehsil Haroli, District Una,
Himachal Pradesh - 174 301.

3. M/s. Mitul Industries,
101, Kasturi Park,
Near Maneklal Estate,
LBS Marg, Ghatkopar,
Mumbai - 400 086.

4. Balaji Agro,
No. 8, Badrian Street,
Chennai,
Tamilnadu - 600 001.

... Respondents
in all O.S.As.

Original Side Appeals filed under Order XXXVI Rule 9 of the O.S.Rules read with Clause 15 of the Letters Patent, to set aside the Common order dated 21.01.2019 passed by the learned Single Judge in A.Nos.4920, 4923 & 4916 of 2019 in C.S.No.410 of 2019 and restore the suit on the file of this Court.

For Appellant in all O.S.As. : Mr.Arun C.Mohan

For 1st to 3rd Respondents
in O.S.A.No.38/2020 : Mr.P.H.Aravind Pandian
Senior Counsel for
Mr.Madhan Babu

For 1st to 3rd Respondents
in O.S.A.No.40/2020 : Mr.S.K.Bunsal for
Mr.Madhan Babu

For 1st to 3rd Respondents
in O.S.A.No.42/2020 : Mr.Madhan Babu

For 4th Respondent
in all O.S.As. : Mr.Ramesh L.Ganapathy

C.SARAVANAN, J.

By this common order, all the three Original Side Appeals filed by the appellant are being disposed.

2. These Original Side Appeals have been filed by the unsuccessful plaintiff against the impugned common order dated 21.01.2020 passed by a learned Single Judge of this court in Application Nos.4916, 4920 and 4923 of 2019 in C.S.No.410 of 2019.

3. By the impugned common order, the learned Single Judge has allowed Application Nos.4916, 4920 and 4923 of 2019 in C.S.No.410 of 2019 filed by the 1st to 3rd respondents (1st to 3rd defendants) and has revoked the leave granted to the appellant/plaintiff to sue them. Aggrieved by the same, these appeals have been filed by the plaintiff.

4. The above suit was filed by the appellant/plaintiff for the alleged violation of appellant's Patent No.282429 by the 1st to 3rd respondents/1st to 3rd defendants along with 4th respondent/4th defendant.

5. Earlier, an ex-parte order dated 03.07.2019 was passed in A.No.4512 of 2019 and a leave to sue the 1st to 3rd respondents/1st to 3rd defendants was granted under Clause 12 of the Letters Patent by a learned Single Judge of this Court. Pursuant to the said order, the above suit was numbered. In the above suit, the appellant/plaintiff had also filed O.A.No.647 of 2019 to injunct these respondents (i.e, the 1st to 3rd defendants) from infringing the aforesaid patent of the appellant herein. An ex-parte order was also passed on 05.07.2019.

6. Under these circumstances, the 1st to 3rd respondents/1st to 3rd defendants filed four different applications separately (in all 12 applications) (i) to suspend the interim order dated 05.07.2019, (ii) to revoke the leave granted on 03.07.2019 under Clause 12 of the Letters Patent and (iii) to reject the appellant/plaintiff Under Orders 7 Rule 12 of Civil Procedure Code.

7. The applications filed for revoking leave granted under Clause 12 of the Letters Patent vide Application Nos. 4916, 4920 and 4923 of 2019 in C.S.No.410 of 2019 came to be disposed by the learned Single Judge vide the impugned common order dated 21.01.2020.

8. Prior to passing of the impugned common order, the ex-parte injunction granted on 05.07.2019 was suspended by an order dated 16.07.2019 based on an undertaking of the 1st to 3rd respondents/1st to 3rd defendants agreeing to furnish bank guarantee on or before 26.07.2019, failing which, suspension of the interim order was to stand automatically vacated.

9. This undertaking was in apparently terms of an order passed by the Delhi High Court in a similar proceedings initiated before it by the appellant/plaintiff herein against another person who had allegedly infringed the aforesaid patent of the appellant/plaintiff.

10. Operating portion of the impugned common order of the learned Single Judge revoking the leave granted under Clause 12 of the Letters Patent reads as follows:

32. This Court, after reading the explanation to part of cause of action given by Hon'ble Supreme Court in Kusum Ingots case supra and Section 104-A of the Act holds that, the parties, who

are cast with the burden of proof as mentioned in Section 104-A of the Act, are not within the territorial jurisdiction of this Court. They are all carrying on business outside the territorial jurisdiction of this Court. The expert, whose opinion relied by the plaintiff to prove infringement of the patent also resides outside the jurisdiction of this Court. The infinitesimally small part of cause of action namely the impugned product being sold in Chennai by the 4th defendant, even assumed to be true, is not the pivotal issue which will determine the dispute. Further, the plaintiff has not placed any prima facie material to show that the 4th defendant is the authorised dealer/Agent or stockist of the manufacturer of the impugned product, to link the defendants 1 to 3 and the 4th defendant.

33. Perusing the pleadings and documents with the aid of the cases cited, this Court is of the opinion that, the leave to sue granted has to be revoked for lack of jurisdiction. The part of cause of action stated in the plaint to bring the suit within the territorial jurisdiction is insignificant. The proof required to decide the lis does not depend on those facts relating to 4th defendant, who is carrying on business at Chennai which only constitute an infinitesimally small part of cause of action. As a result, the Application Nos. 4916, 4920 & 4923 of 2019, to revoke leave are allowed. The plaintiff is at liberty to present the suit before the appropriate Court having jurisdiction.

11. Though lengthy arguments were advanced on behalf of the appellant/plaintiff and respondents/defendants on merits, it would suffice to state that the suit was filed against the respondents/defendants based on three trap orders placed on the 4th respondent/4th defendant by the appellant on 10.06.2019, 11.06.2019 and 12.06.2019.

12. In the plaint, it was alleged that the 4th respondent/4th defendant sold the infringing products manufactured and marketed by the 1st to 3rd respondents/1st to 3rd defendants within the jurisdiction of the Court. It was alleged that such sales were in violation of the aforesaid patent of the appellant/plaintiff.

13. In the plaint, it was averred that the confirmation of the violation of the aforesaid patent of the appellant/plaintiff by these respondents were in terms of a test report dated 14.6.2019 of Jubilant Pharma and Chemical Lab (OPC) Private Limited, Mumbai and based on an affidavit dated 15.06.2019 of Dr P.K Patanjali, New Delhi, an expert who had served as the Ex-Head Formulation Scientist, Indian Institute of Pesticides Formulation Technology.

14. For a better understanding of the dispute, the relevant passage relating to the cause of action from the plaint of C.S.No 410 of 2019 filed by the appellant is reproduced below:-

"The cause of action for institution of the present case arose when the plaintiff through its field force came across the infringing product of the Defendant No.1 and issued notice to the Defendant No.1 on 26.04.2018 and further on 15.05.2018 when reply to the said notice was received from the Defendant No.1 herein; on 26.04.2018, when the plaintiff issued a legal notice to the Defendant No.3 on 18.05.2018, when the Defendant No.3 sent their reply to the legal notice issued by the Plaintiff; on 01.02.2019, when the Plaintiff issued a legal notice to the Defendant No.1 to refrain from infringing the plaintiff's Patent No.282429; on 27.04.2019, when the Defendant No.1 sent their reply to the legal notice issued by the plaintiff. The said cause of action further arose in the month of June 2019 when the plaintiff came across Defendants' infringing product in the market of Chennai being sold under the brand Nano Sulf-W.G. The said cause of action further arose when the test reports dated 14.06.2019 from JPCL analyzing the Defendants' product revealed that the product manufactured, used and sold by the Defendants is covered by the claim(s) of the suit patent. The said cause of action further arose on 15.06.2019 when Dr.P.K.Patanjali-the expert in the field of agrochemical formulations, by way of an affidavit, confirmed that the Defendants are using the same product as is the subject matter of the Indian Patent No.282429. The said cause of action is a continuous one and continues to subsist till the Defendants are restrained from infringing the Plaintiff's Indian Patent No.282429."

"This Hon'ble Court has the jurisdiction to entertain and try the present suit under Section 20 of the Code of Civil Procedure, 1908 since the Defendants are distributing and selling its products in the city of Chennai within the jurisdiction of this Hon'ble Court. Also, the Defendant No.4 is the dealer and distributor based in the city of Chennai selling the Defendant No.1, Defendant No.2 & Defendant No.3's products on a commercial scale. Thus, the cause of action for institution of the present suit has arisen within the jurisdiction of this Hon'ble Court. Furthermore, the Plaintiff submits that a part of cause of action has arisen in Chennai as the Defendant No.1, Defendant No.2 & Defendant No.3 have their commercial operations in the city of Chennai within the jurisdiction of this Hon'ble Court. This Hon'ble Court therefore has jurisdiction to try and entertain the suit as the Defendants are selling the impugned product under the mark Nano Sulf-W.G. at Chennai. In the circumstances, this Hon'ble Court has jurisdiction to entertain and try the suit. However, as a matter of abundant caution, the plaintiff has applied for leave to sue the Defendants."

(Emphasis added)

15. The ground for revoking the leave and also for rejecting the plaint in respective affidavit filed in support of A.Nos.4916, 4920 & 4923 of 2019 are found in Para Nos. 91, 93, 96 of the respective affidavit of the 1st to 3rd respondents/1st to 3rd defendants read as under:-

"I reiterate that the plaintiff and defendant nos.1 to 3 are admittedly situated outside the territorial jurisdiction of this Hon'ble High Court. Further, as stated above, the plaintiff has failed to secure ad-interim injunction in respect of the subject patent before the Delhi High Court and have approached this Hon'ble Court only by way of forum shopping to wrongly obtain ex-parte ad-interim order. Since no cause of action has arisen before this Hon'ble Court as mentioned above, much less the present suit has been instated before this Hon'ble Court by way of forum shopping, the leave granted by this Hon'ble High Court to sue the defendants ought to be revoked necessarily."

16. The case of these contesting respondents namely 1st to 3rd defendants before the learned Single Judge in Application Nos.4916, 4920 and 4923 of 2019 in C.S.No.410 of 2019 was that the appellant/plaintiff had wrongly invoked the jurisdiction of this Court by suppressing the factum of pendency of two other suits for similar relief against certain other 3rd parties before the Mumbai and the Delhi High Court in C.S.(comm.)No.1225 of 2018 on 20.12.2018.

17. The learned counsel for the appellant/plaintiff submits that the Court erred in revoking the leave as the Court is not concerned with the proof or its sufficiency. It is concerned only with the averments made in the plaint. Further, to establish cause of action, the appellant/plaintiff is not required to place large number of trap orders to demonstrate existence of a part of cause of action within its jurisdiction.

18. Defending the impugned common orders of the learned Single Judge, it was submitted that the jurisdiction of this court was contrived by the appellant/plaintiff in connivance with the 4th respondent/4th defendant to make it seem as if the products manufactured by the 2nd and 3rd respondents/2nd and 3rd defendants which are marketed by the 1st respondent/1st defendant were sold by the 4th respondent/4th defendant within the jurisdiction of this Court when indeed the 4th respondent/4th defendant was not their dealer.

19. It was submitted on behalf of the 1st to 3rd respondents/1st to 3rd defendants that since two High Courts had earlier declined to grant any interim order to the appellant/plaintiff in those cases, the appellant/plaintiff resorted to forum shopping by filing C.S.No.410 of 2019 before the Original Side of this High Court.

20. According to the contesting respondents, i.e, 1st to 3rd respondents/1st to 3rd defendants, the 4th respondent/4th defendant was a stranger who had been set up as is evident from the fact that a similar purchase order placed on the 4th respondent/4th defendant and was used by the appellant/plaintiff in C.S.No 396 of 2019 and after obtaining ex-parte order, the appellant/plaintiff managed to settle the dispute by entering into a compromise by arm-twisting the defendants therein.

21. It was further submitted that pesticides was a regulated commodity under the provisions of the Essential Commodities Act, 1955 and its sale is governed by the provisions of the Fertiliser (Control) Order, 1985 as amended from time to time. It is submitted that, the 4th respondent/4th defendant, the alleged seller on whom the trapped orders were placed by the appellant/plaintiff had filed a plaint counter affidavit before

the learned Single Judge and stated that he was not registered person under the provisions of the aforesaid Control Order on behalf of the appellant/plaintiff.

22. It is further submitted that the 4th respondent/4th defendant in the counter affidavit named yet another dealer named M/s.Guhan & Company from whom the offending products were allegedly purchased and sold by the 4th respondent/4th defendant to the buyers who placed the trap orders on behalf of the appellant/plaintiff.

23. It is further submitted that the three purchasers who purchased the offending products were outside the jurisdiction of this court and therefore no part of cause of action can be said to have arisen. It was further submitted that in absence of any direct evidence to substantiate that the 1st to 3rd respondents/1st to 3rd defendants were selling the offending product to the 4th respondent/4th defendant, the leave granted to the appellant/plaintiff was liable to be revoked and has been rightly revoked by the learned Single Judge in the impugned common order.

24. It was further argued that the 1st respondent/1st defendant was located in Meerut, UP while the 2nd respondent/2nd defendant had factories in New Delhi and Himachal Pradesh while the 3rd respondent/3rd respondent was from Mumbai. Further, the appellant was from Mumbai. The situs of the patent allegedly infringed was at best located in Mumbai.

25. It was therefore submitted that the suit ought to have been filed only in the courts in Bombay where the appellant and or where the 3rd respondent/3rd defendant was located or in New Delhi or in Himachal Pradesh where 2nd respondent/2nd defendant was located or in Meerut where the 1st respondent/2nd defendant was located.

26. It was further submitted that the so called trap orders placed by the appellant/plaintiff on the 4th respondent/4th defendant has to be viewed with caution and circumspect and the courts while granting leave to sue under clause 12 of the Letters Patent ought not to have been liberal.

27. We have heard the length arguments advanced by Mr.Arun C.Mohan, the learned counsel for the appellant/plaintiff in all O.S.As. and Mr.P.H.Aravind Pandian for Mr.Madhan Babu, the

learned counsel for the 1st to 3rd respondents/1st to 3rd defendants in O.S.A.No.38 of 2020, Mr.S.K.Bansal for Mr.Madhan Babu for the 1st to 3rd respondents/1st to 3rd defendants in O.S.A.No.40 of 2020 and Mr.Madhan Babu for Mr.Madhan Babu in O.S.A.No.42 of 2020 and Mr.Ramesh Ganapathy, the learned counsel for the 4th respondent/4th defendant in all these O.S.As.

28. On behalf of the appellant/plaintiff, Mr.Arun C.Mohan placed reliance on the following decisions:-

- i. Wipro Limited and Others Vs. Oushadha Chandrika Ayurvedic India (P) Limited and Others, reported in 2008 SCC OnLine Mad 172.
- ii. Parle Products Private Limited Vs. Surya Food and Agro Limited, reported in 2009 (40) PTC 638 (Mad).
- iii. Micro Labs Limited Vs. Eris Life Sciences Pvt. Ltd., reported in 2015 (64) PTC 9 (Mad).
- iv. Lalli Enterprises Vs. Dharam Chand and Sons, reported in 2003 (26) PTC 239 (DB).
- v. Delight Chemicals Private Limited and Others Vs. Ganga Yallappa, reported in 2012 SCC OnLine Mad 5434.
- vi. MCD Vs. Jegannath Ashok Kumar, reported in AIR 1987 SC 2316.
- vii. M.K. Shah Engineers Vs. State of M.P., reported in (1999) 2 SCC 594.
- viii. National Highways Authority Vs. Bumihiway DDB Limited, reported in (2006) 10 SCC 763.
- ix. MrutunjayPani and Another Vs. Narmada BalaSasmal and Another, reported in AIR 1961 SC 1353.
- x. Associate Builders Vs. Delhi Development Authority, reported in (2015) 3 SCC 49.
- xi. Ssangyong Engg. & Construction Co. Ltd. Vs. NHAI, reported in 2019 SCC OnLine SC 677.
- xii. Kusheswar Prasad Singh Vs. State of Bihar, reported in (2007) 11 SCC 447.
- xiii. ONGC Vs. Saw Pipes Ltd., reported in (2003) 5 SCC 705.

xiv. Pure Helium India (P) Ltd. Vs. Oil & Natural Gas Commission, reported in (2003) 8 SCC 593.

xv. D.D. Sharma Vs. Union of India, reported in (2004) 5 SCC 325.

xvi. Delta International Limited Vs. Shyam Sundar Ganneriwalla and Another, reported in (1999) 4 SCC 545.

xvii. Larsen Toubro Limited Vs. Mohanlal Harbanslal Bhayama, reported in (2015) 2 SCC 461.

xviii. P.R. Shaw Shares and Stock Brokers Pvt. Ltd. Vs. DHH Securities Pvt. Ltd., reported in (2012) 1 SCC 594.

xix. Steel Authority Ltd. Vs. Gupta Brothers Steel Tubes Ltd., (2009) 10 SCC 63.

29. On behalf of the contesting respondents (i.e., 1st to 3rd respondents/1st to 3rd defendants), reliance was placed on the following decisions:-

i. Madanlal Jalan Vs. Madanlal, reported in AIR 1949 Cal 495.

ii. Parameswari Veluchamy and two others Vs. T.R. Jayaraman and seven others, reported in 2002 (1) CTC 134.

iii. Kusum Ingots and Alloys Ltd. Vs. Union of India and Another, reported in (2004) 6 SCC 254.

iv. M/s. Duro Flex Pvt. Limited Vs. M/s. Duroflex Seatings System, reported in 2014 (5) L.W. 673.

v. Aloys Wobben and Another Vs. Yogesh Mehra and Others, reported in (2014) 15 SCC 360.

vi. T. Arivandandam Vs. T.V. Satyapal and Another, reported in (1997) 4 SCC 467.

vii. Wander Ltd. and Another Vs. Antox India P. Ltd., reported in 1990 (Supp) SCC 727.

viii. Dhodha House Vs. S.K. Maingi, reported in (2006) 9 SCC 41.

- ix. Banyan Tree Holding (P.) Ltd. Vs. A.Murali Krishna Reddy and Another, reported in 2010 (42) PTC 361 (Del.) (DB).
- x. Archie Comic Publications Inc. Vs. Purple Creations Pvt. Ltd. and Others, reported in 2010 (44) PTC 520 (Del.) (DB).
- xi. Ultra Home Construction Pvt. Ltd. Vs. Purushottam Kumar Chaubey and Others, reported in 2016 (65) PTC 469 (Del.) (DB).

30. We have considered the rival submission advanced on behalf of the appellant/plaintiff and the contesting respondents/defendants. We have also perused the plaint, the application filed for grant of leave and the respective applications filed for revoking leave which has culminated in the impugned common order of the learned Single Judge.

31. Within the city of Madras, both the City Civil Court presided by District Judges has additional courts which is also and the High Court have jurisdiction to entertain civil suits relating to violation of Patent. Under Clause 12 of the Letters Patent, a plaintiff may file a suit in the High Court before the Original Side when the cause of action has wholly or partly arisen within its territorial limits, notwithstanding the fact that the defendant may not be carrying on business within its territorial limits.

32. Chartered High Courts governed by the Letters Patent have been given discretion to grant a leave to sue to the plaintiff/plaintiff under Clause 12 of the Letters Patent. Where either a part of cause of action arises within its jurisdiction or where the defendant(s) reside(s) outside its jurisdiction, the High Court exercises this discretion at the threshold even before the plaint is received for being numbered as a suit.

33. Under Article 226(2) of the Constitution of India and Clause (c) to Section 20 of the Code of Civil Procedure, there is no question of leave. Suit or a Writ petition can be filed straight away if a part of cause of action arises within the Courts jurisdiction. Original side of the High Court is not governed by these provisions.

34. Relevant part of these provisions are re-produced as under:-

Section 20(c) of the Code of Civil Procedure	Other suits to be instituted where defendants reside or cause of action arises.- Subject to the limitations aforesaid, every suit shall be instituted in a court within the local limits of whose jurisdiction- (a) - (b) *** (c) the cause of action, wholly or in part, arises."
Article 226 (2) of the Constitution of India.	(1) :-**** (2) The power conferred by clause (1) to issue directions, orders or writs to any Government, authority or person may also be exercised by any High Court exercising jurisdiction in relation to the territories within which the cause of action, wholly or in part, arises for the exercise of such power, notwithstanding that the seat of such Government or authority or the residence of such person is not within those territories."

Clause 12 of the Letters Patent.

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

35. The view of the learned Single Judge in the impugned common order which is primarily inspired from the decision of the Hon'ble Supreme Court in "Kusum Ingots and Alloys Ltd Vs. Union of India and Other AIR 2004 SC 2321 appears to be erroneous. The said decision was rendered in the context of Article 226 (2) of the Constitution of India and Clause (c) to Section 20 of the Code of Civil Procedure.

36. In "Kusum Ingots and Alloys Ltd Vs. Union of India and Other AIR 2004 SC 2321, the Court held that a writ petition, questioning the constitutionality of a parliamentary Act was not be maintainable in the High Court of Delhi merely because the seat of the Union of India was in Delhi. On forum convenience, the Hon'ble Supreme Court held as follows:-

"We must, however, remind ourselves that even if a small part of cause of action arises within the territorial jurisdiction of the High Court, the

same by itself may not be considered to be a determinative factor compelling the High Court to decide the matter on merit. In appropriate cases, the Court may refuse to exercise its discretionary jurisdiction by invoking the doctrine of forum conveniens. [See Bhagat Singh Bugga v. Dewan Jagbir Sawhney [AIR 1941 Cal 670 : ILR (1941) 1 Cal 490], Madanlal Jalan v. Madanlal [(1945) 49 CWN 357 : AIR 1949 Cal 495], Bharat Coking Coal Ltd. v. Jharia Talkies & Cold Storage (P) Ltd. [1997 CWN 122], S.S. Jain & Co. v. Union of India [(1994) 1 CHN 445] and New Horizons Ltd. v. Union of India [AIR 1994 Delhi 126]"

37. The Hon'ble Supreme Court merely held that a High Court may refuse to exercise its discretionary jurisdiction by invoking the doctrine of forum conveniens. Thus, there is no question of granting leave to file Writ petition under Article 226 (2) of the Constitution of India in case where a part of cause of action may have arisen. In appropriate case, the High Court may however refuse to exercise its discretionary jurisdiction by invoking the doctrine of forum conveniens.

38. In our view, the ratio in the said case cannot be applied to grant of leave under Clause 12 of the Letters Patent as Article 226(2) of the Constitution of India and Clause (c) to Section 20 of the Code of Civil Procedure read differently from the language adopted in Clause 12 of the Letters Patent.

39. Since the dispute in the present case pertains to the alleged violation of the patents of the appellant/plaintiff, the jurisdiction of Court under Clause 12 of the Letters Patent has to be read in conjunction with Section 104 of the Patents Act, 1970 and not in conjunction with Section 104A of the Patent Act, 1970. Section 104 of the Patent Act, which is relevant reads as under: -

104. Jurisdiction- No suit for a declaration under section 105 or for any relief under section 106 or for infringement of a patent shall be instituted in any court inferior to a district court having jurisdiction to try the suit:

Provided that where a counter-claim for revocation of the patent is made by the defendant, the suit, along with the counter-claim, shall be transferred to the High Court

for decision.

40. Power of the Court in patent case is prescribed in Section 105 of the Patent Act, 1970. It reads as under:-

105. Power of court to make declaration as to non-infringement. -

(1) Notwithstanding anything contained in section 34 of the Specific Relief Act, 1963 (47 of 1963), any person may institute a suit for a declaration that the use by him of any process, or the making, use or sale of any article by him does not, or would not, constitute an infringement of a claim of a patent against the patentee or the holder of an exclusive licence under the patent, notwithstanding that no assertion to the contrary has been made by the patentee or the licensee, if it is shown-

(a) that the plaintiff has applied in writing to the patentee or exclusive licensee for a written acknowledgements to the effect of the declaration claimed and has furnished him with full particulars in writing of the process or article in question; and

(b) that the patentee or licensee has refused or neglected to give such an acknowledgement.

(2) The costs of all parties in a suit for a declaration brought by virtue of this section shall, unless for special reasons the court thinks fit to order otherwise, be paid by the plaintiff.

(3) The validity of a claim of the specification of a patent shall not be called in question in a suit for a declaration brought by virtue of this section, and accordingly the making or refusal of such a declaration in the case of a patent shall not be deemed to imply that the patent is valid or invalid.

(4) A suit for a declaration may be brought by virtue of this section at any time [after the publication of grant of a patent], and

references in this section to the patentee shall be construed accordingly.

41. Section 104A of the Patent Act, 1970 is not concerned with Jurisdiction of the Court. It is concerned with burden of proof in case of a process patent as is evident from a reading of Section 104A of the Patent Act, 1970 which is reproduced below:-

104A. Burden of proof in case of suits concerning infringement- (1) In any suit for infringement of a patent, where the subject matter of patent is a process for obtaining a product, the court may direct the defendant to prove that the process used by him to obtain the product, identical to the product of the patented process, is different from the patented process if,-

- (a) the subject matter of the patent is a process for obtaining a new product; or
- (b) there is a substantial likelihood that the identical product is made by the process, and the patentee or a person deriving title or interest in the patent from him, has been unable through reasonable efforts to determine the process actually used:

Provided that the patentee or a person deriving title or interest in the patent from him first proves that the product is identical to the product directly obtained by the patented process.

(2) In considering whether a party has discharged the burden imposed upon him by subsection (1), the court shall not require him to disclose any manufacturing or commercial secrets, if it appears to the court that it would be unreasonable to do so.

42. Therefore, reliance placed on Section 104A of the Patent Act, 1970 for revoking leave again appears to be inappropriate.

43. While granting leave under Clause 12 of the Letters Patent, the question of testing the cause of action qua burden of proof does not arise. It is a subject matter of trial after the defendants file their written statement and issues are framed.

44. A plain reading of Clause-12 of the Letters Patent shows that where a part of the cause of action has arisen within the jurisdiction of this Court, a leave is to be obtained under Clause 12 of Letters Patent. This was also the view of this Court in "Wipro Limited and Others Vs. Oushadha Chandrika Ayurvedic India (P) Limited and Others, 2008 SCC OnLine Mad 172".

45. Leave has to be first obtained where a part of cause of action arises within jurisdiction of High Court as also in cases where the defendant do not reside or carry on business within jurisdiction of High Court. This was the view in "Parameswari Veluchamy and two others Vs. T.R.Jayaraman and seven others, 2002 (1) CTC 134".

46. The Court have also ruled that the issue of jurisdictional dispute requiring evidence must be decided along with the other issues in the suit only at the time of trial.

47. While revoking leave already granted, the Court is essentially reviewing its *ex parte* decision granting leave to sue the defendants. Review is permissible only under Section 114 of the CPC read with Order 47 of CPC. However, the scope of review is very limited. It is perhaps for this reason, applications are filed under Clause 12 of Letter Patent and it has become the practice of the Court to entertain such application even though Clause 12 does not contemplate the revocation of leave.

48. In fact, the Calcutta High Court in Madanlal Jalan Vs. Madanlal, AIR 1949 Cal 495, which was cited by the learned counsel for the respondent, summarised the position of law based on the practice of other Chartered High Courts including that of this High Court. In paragraph No.25, it has summarised as follows:

"25. On a consideration of the legal principles established by the judicial decisions mentioned above it seems to me that balance of convenience is a material consideration in the exercise of discretion under cl. 12. From these judicial authorities the following propositions may, I think, be enunciated:

- (a) that an application lies for revoking leave granted under cl. 12 of the Letters Patent;
- (b) that such an application should be made at an early stage of the suit and delay and acquiescence may be a bar to such an application;
- (c) that if the application depends on difficult questions of law or fact the Court should not revoke leave on a summary application but should decide the question at the trial;
- (d) that if the Defendant shows clearly that no

part of the cause of action arose within jurisdiction, the leave should be revoked as a matter of course;

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

(f) that assignment is a very important part of the cause of action in a suit by the assignee;

(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) that if the cause of action is founded on an assignment within jurisdiction of a negotiable instrument, the Court will, in recognition of the principle of negotiability, insist on a far greater degree of balance of convenience in favour of the Defendant and will more readily give or maintain leave than in other cases of assignment;

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

49. While considering the question of granting or revoking of leave under Clause 12 of Letters Patent, the Courts are not to look at the evidence. It has to merely look the averments in the plaint pertaining to cause of action. The Court has to see whether indeed a cause of action has arisen in part or not within its jurisdiction. Evidence has to be assessed only after written statement is filed and in case the defendant(s) desire to demonstrate no cause of action arises within the jurisdiction of the Court, it has to be decided as a preliminary issue. This was the view of this Court in "Delight Chemicals Private Limited and Others Vs. Ganga Yallappa, 2012 SCC OnLine Mad 5434" which was authored by one of us (Hon'ble Mr. Justice R. Subbiah). In para 14, this Court has held as follows:

14. In view of the dictum laid down in the above judgment, I am of the opinion that the submission made by the learned counsel for the applicant with regard to the territorial jurisdiction cannot be entertained. Further, I am of the opinion that the invoice dated 24.5.2006 (available at page No. 40 of the second additional typed set of documents) filed on the side of the respondents would show that they are marketing their product within the jurisdiction of this Court. Though it was contended by the learned counsel for the applicant that the said document cannot be taken as an authenticated document, the veracity and genuineness of the same could be gone into only at the time of trial and not at this stage. It is well settled principle that the averments made in the plaint alone should be taken into consideration in order to decide the jurisdiction at the earlier stage. In the instant case, the averments of the plaint would show that the plaintiffs are carrying on business within the jurisdiction of this Court and marketing their products are sufficient to maintain the suit before this Court. Further, I am of the opinion that there is no specific bar under section 28(3) of the Trademarks Act to file a suit. Under such circumstances, I am not accepting the submissions made by the learned counsel for the applicant based on section 28(3) of the Trademarks Act. Since the suit prayer for infringement of trade mark is maintainable based on the averments in the plaint, I do not find any infirmity in the order passed by this Court in combining the cause of action in respect of infringement of trade mark, passing off and infringement of copyright in a single suit. Therefore, in my considered opinion, no case has been made out by the applicant for returning the plaint and revoking the order passed in A. No. 5042 of 2011.

50. Again in "Lalli Enterprises Vs. Dharam Chand and Sons, 2003 (26) PTC 239 (DB), the Delhi High Court has held as follows:

"2.....in Jawahar Engineering Company and Ors.V. Jawahar Engineering Pvt. Ltd., reported as 1983 PTC 207. Similarly, at this stage it could

not have been said that this Court does not have territorial jurisdiction to try the suit. The averments in the plaint are sufficient for present purposes. The aspect of territorial jurisdiction can be, if at all considered at a later stage it may require evidence to be led to determine territorial jurisdiction"

51. The evidence in the form of a lone trap order ipso facto is sufficient to maintain a suit. A plaintiff is not required to furnish reams of evidence of sale of the defendant's product within the Court's Jurisdiction which is allegedly in violation of the appellant's/plaintiff's patent. The respondents/defendants can throw light as to whether their products are sold or not sold within the jurisdiction of this Court only after filing their written statement at the time of the trial. Mere allegation that the pesticide is a restricted commodity and that the 4th respondent/4th defendant has colluded with the appellant/plaintiff, is not sufficient to conclude that the Court has no or has negligible jurisdiction to non-suit the appellant/plaintiff.

52. Therefore, whether the respondents/defendants were offloading their offending product within the jurisdiction of this Court or not is to be decided only at the time of Trial based on the evidence and not based on the averments in the application filed in support of the application for revoking leave. Therefore, a suit cannot be short circuited if the plaint otherwise discloses a part of cause of action had arisen within its jurisdiction.

53. Volume of Sale of offending products within the jurisdiction of this Court also cannot be decided in a summary manner based on the averments of the respondents/defendants as it is a matter of evidence. Facts further indicate that the 1st respondent/1st defendant undertook to furnish Bank Guarantee for Rs.50,00,000/- and had practically acquiesced into the jurisdiction of this Court, even though 1st respondent/1st defendant had already filed application to revoke the leave vide A.No.4916 of 2019 on 14.07.2019, yet it agreed for a consent order and agreed to furnish Bank Guarantee.

54. The decision of the Hon'ble Supreme Court in Dhodha House Vs. S.K.Maingi, (2006) 9 SCC 41, cited by the learned counsel for the respondents/defendants, again does not further their case. It was rendered in the context of Section 20 of CPC and the Copyright Act, 1957 and The Trade and Merchandise Mark Act, 1958, In Para 31, the Court held as follows:

"A cause of action will arise only when a registered trade mark is used and not when an application is filed for registration of the trade mark. In a given case, an application for grant of registration certificate may or may not be allowed. The person in whose favour, a registration certificate has already been granted indisputably will have an opportunity to oppose the same by filing an application before the Registrar, who has the requisite jurisdiction to determine the said question. In other words, a suit may lie where an infringement of trade mark or copyright takes place but a cause of action for filing the suit would not arise within the jurisdiction of the court only because an advertisement has been issued in the Trade Marks Journal or any other journal, notifying the factum of filing of such an application".

55. The Hon'ble Supreme Court there disposed two separate appeals from separate decisions of the Allahabad High Court and Delhi High Court in total unconnected cases. The appellant in Civil Appeal No.6248 of 1997 had filed a suit for injunction in District Court, Ghaziabad against the defendant from Kotkapura in the district of Faridko, Uttar Pradesh.

56. The appellant in Civil Appeal No.18 of 1999 was the defendant. The suit was filed before the Original side of the Hon'ble Delhi High Court. The Delhi High Court had held that "as diesel engines were not sold in Delhi, no cause of action arose within the jurisdiction of Delhi High Court; nor the advertisement published in a journal "Parwez" published from Ludhiana would confer such jurisdiction. But it was opined that having regard to the fact that an advertisement had appeared in the Trade Marks Journal as regard application for registration of the trade mark of the defendant therein, the Delhi High Court would have jurisdiction in the matter".

57. The Hon'ble Supreme Court in paragraph No.22 observed that "We are not concerned in this case with the maintainability of a composite suit both under the 1957 Act and the 1958 Act. In paragraph No.43, the Court set the contours of the dispute as under:-

"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?"

* The Copyright Act, 1957

** The Trade and Merchandise Marks Act, 1958.

58. In paragraph No.44, the Court answered the question as follows:

"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. The 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 the Parliament. The intention of the Parliament in not providing for an additional forum in relation to the violation of the 1958 Act is, therefore, clear and explicit. The 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 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 wherefor are that the plaintiff must actually and voluntarily reside to carry on business or personally work for gain.

.....

51. The plaintiff was not a resident of Delhi. It has not been able to establish that it carries on any business at Delhi. For our

purpose, the question as to whether the defendant had been selling its produce in Delhi or not is wholly irrelevant. It is possible that the goods manufactured by the plaintiff are available in the market of Delhi or they are sold in Delhi but that by itself would not mean that the plaintiff carries on any business in Delhi.

52. It is not in dispute before us that the application for registration of the trade mark was to be filed either at Bombay or at Ahmedabad. The objections thereto by the plaintiff were also required to be filed at the said places. The jurisdiction of the Delhi court could not have been invoked only on the ground that advertisement in respect thereof was published in the Trade Marks Journal. Section 62 of the 1957 Act, therefore, will have no application. The plaintiff has no branch office at Delhi. Its manufacturing facilities are not available at Delhi. Both its trade mark and copyright are also not registered at Delhi.

53. Our attention has been drawn to the provisions of Section 45 of the Trade Marks Act; sub-section of 2(m) whereof shows that the marks includes a device, brand, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof. It may be so that in a given case if such label is registered, a violation thereof may give rise to cause of action under the said Act; but only because in a given case, the activities on the part of the defendant may give rise to a cause of action both under the 1958 Act as also under the 1957 Act, the same would not mean, irrespective of the nature of violation, the plaintiff would be entitled to invoke the jurisdiction of the court in terms of sub-section (2) of Section 62 of the 1957 Act.

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.

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.

56. In Patel Field Marsahal (supra), however, we may notice that a subsequent development has taken place, namely, after the remand, a learned Single Judge of the Delhi High Court is said to have granted an order of injunction in favour of the plaintiff-respondent and the matter is pending before the Division Bench. As we have not expressed our views on the merit of the matter, it is needless to mention that the Division Bench shall proceed to determine the questions raised before it on their own merits.

57. For the reasons aforementioned, Civil Appeal No. 6248 of 1997 filed by M/s Dhodha House is dismissed and Civil Appeal No. 16 of 1999 preferred by M/s Patel Field Marshal is allowed. The parties shall pay and bear their own costs.

59. We are therefore unable to accept the reasoning of the learned Single Judge in the impugned common order while revoking the leave granted to the appellant/plaintiff on the ground that only an insignificant part of the cause of action had arisen within the jurisdiction of the Court.

60. At the same time, it must be remembered a few decision of this Court and other High Courts governed by the Letters Patent and that of the Hon'ble Supreme Court indicates that leave once granted under Clause 12 of the Letters Patent, can also be revoked. This is despite the fact that neither Clause 12 nor the Original Side Rules of this High Court grant such powers to the Court. While granting or revoking leave, the Court have taken a view that the Principles of Forum Conveniens or analogous principles will serve as a useful guide.

61. Whether the Principles of Forum Conveniens or analogous principles will apply or not for consideration of an Application for leave to sue under Clause 12 of the Letters Patent fell for consideration before a Full Bench of this Court in Duro Flex Pvt., Limited vs. Duroflex Sittings System, 2014 (6) CTC 577.

62. There the court referred to several decision of various court and that of the Delhi High Court in Bharat Bhogilal Patel & Others Vs. Union of India, 2014 5 LW 289, wherein, the Delhi High Court had gone into the doctrine of Forum Conveniens. This case was decided by a Full Bench of the Delhi High Court and was presided over by Five Judges of the said Court. The Court held as follows:

"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."

63. The Full Bench of this Court referred to the above passage in M/s. Duro Flex Pvt. Limited Vs. M/s. Duroflex Seatings System, in 2014 (5) L.W. 673 and observed as under:-

"54.....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."

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

64. Therefore, while granting or revoking leave, apart from examining the averment in the plaint regarding the existence of part of cause of action, the Court may have to speculate on the convenience of the parties and how interest of Justice will be served if it takes the plaint on record. It is perhaps for that reason, power to grant leave is vested with the Court under Clause 12 of Letters Patent. In Madanlal Jalan case referred to supra, the reasons for allowing the applications for revoking leave to sue has been explained as follows:-

"10. Cl. 12 interposes a safeguard in favour of the Defendant at an earlier stage by investing the Court with a discretion to grant or refuse leave to sue, in addition to the other safeguards which will be available at a later stage. That the safeguards provided by the Code which are to be operative after the institution of the suit are to be applied only in case of abuse does not appear to me to be any reason why the Court should ignore or limit the additional safeguard provided under cl. 12. If I am right in thinking as I do that the discretion given under cl. 12 is in the nature of an initial safeguard I must hold that this discretion must be based on circumstances then available. It is not limited to a mere consideration of the extent of the part of the cause of action that arose within jurisdiction and questions of convenience, so far as they are apparent from the plaint, the only material which is, at this stage, available to the Court, must be taken into consideration. If this is so when leave is granted ex parte, should the position be

different when the Defendant, after service of the Writ of Summons, makes a substantive application complaining of inconvenience and hardship and prays for revocation of the leave? If our practice had been to give leave under cl. 12 on an application by the Plaintiff on notice to the Defendant, as it is or was in Madras, the Defendant would have had a chance, before the suit was received and admitted, to make out a case of inconvenience. Should a Defendant in our Court be deprived of that chance and be put in a worse position because our practice is to give leave ex parte? If questions of convenience are to be taken into consideration at the time leave is to be granted why should it not be considered when the Defendant applies for its revocation? I see no logic in differentiating between the two stages. The question, in my opinion, is the same at both stages, namely, should the Court allow the Plaintiff to proceed with his claim in this Court? The principles on which the answer to that question should be formulated must, therefore, be the same at both stages. I have endeavoured to show that according to our practice of giving leave ex parte, the main, if not the sole, consideration at that time can only be one of "convenience which may be apparent from the plaint. As an application for revocation of leave is in the nature of a review or reconsideration, logically the Court is called upon to decide the same question on the same considerations of convenience, although in the light of fuller materials. When I say that the question of convenience should be considered, I mean convenience of both parties. I agree with Mr. Khaitan that on an application for revocation a greater onus should not be put upon the Defendant by reason of an ex parte accomplished fact. In my opinion the Court should not on an application for revocation start with a presumption in favour of maintaining the leave but should apply an unfettered mind to all the facts and circumstances and submissions presented before it as if it were considering the question for the first time. It remains to be seen whether the views I have just expressed find any support from judicial decisions or whether they militate against any of them."

65. The Hon'ble Supreme Court in Ahmed Abdulla Ahmed Al Ghurair Vs. Star Health & Allied Insurance Co. Ltd., (2019) 13 SCC 259 has also now recognised that Forum non conveniens/Forum conveniens can be applied in case of grant or revocation of leave under Clause 12 of the Letters Patent. The said case arose from a decision of a Division Bench of this Court. There the Court was concerned with a dispute between shareholders in respect of shares of a Dubai based company held in beneficial capacity in India. The plaintiff there had filed a suit for declaration of beneficial interest in the shares in Indian companies on behalf of the shareholders from Dubai. The Division Bench of this Court felt that the Courts in Dubai were better equipped to deal with the dispute. The Hon'ble Supreme Court upheld the said decision of the Division Bench of this Court.

66. Therefore, for granting leave, the Court should consider the grant of leave from the angle of Forum non conveniens/Forum conveniens. They are the relevant factor for the Court while either granting or revoking leave under Clause 12 of the Letters Patent. What exactly is the purport of Forum non conveniens/Forum conveniens and how it has been decided and considered have not been clearly spelled out by the domestic Courts in India.

67. The object of the doctrine of Forum Non Conveniens is "to find that forum which is the more suitable for trying the suit to meet the ends of justice, and is preferable because pursuit of the litigation in that forum is more likely to secure those ends. The onus lies on the defendant to show that there exists another forum which is more appropriate to try the action. The doctrine of Forum Non Conveniens was recognized in English law in the case of "The Atlantic Star Vs. Bona Specs, (1974) AC 436" by the House of Lords. The Latin tag Forum Non Conveniens is used to describe the principle that notwithstanding that an action has been properly brought before the Court, the Court has the power to stay the action as there exists another court having competent jurisdiction which is clearly and distinctly more appropriate to hear and determine the dispute in respect of which the action was brought within its jurisdiction.

68. In "The Blue Fruit, [1979] 2 M.L.J. 279, 280, the Singapore Court of Appeal led by Wee Chong Jin C.J. observed that "The authorities are clear that even though an action is well founded within the jurisdiction of the court there is always an inherent jurisdiction vested in the court whether to entertain such an action or not.

69. The existence of the other forum which is more appropriate for securing the ends of justice is a condition precedent to the application of the plea of forum non conveniens.

70. In "The Abidin Daver" [1984] A.C.398 at 424 and 425, the late Lord Diplock while in expressing his reservation "The possibility cannot be excluded that there are still some countries in whose courts there is a risk that justice will not be obtained by a foreign litigant in particular kinds of suits whether for ideological or political reasons, or because of inexperience or inefficiency of the judiciary or excessive delay in the conduct of the business of the courts, or the unavailability of appropriate remedies. But where there is already a *lis alibi pendens* in a foreign jurisdiction which constitutes a natural and appropriate forum for the resolution of the dispute, a plaintiff in an English action, if he wishes to resist a stay upon the ground that even-handed justice may not be done to him in that particular foreign jurisdiction, must assert this candidly and support his allegations with positive and cogent evidence."

71. In the said case another action had already commenced in the foreign jurisdiction which is the more appropriate forum Lord Diplock said that it was incumbent on the plaintiffs to prove by positive and cogent evidence that he would not obtain justice in the more appropriate foreign jurisdiction.

72. Merely because the plaintiff has chosen a forum which is the natural or appropriate forum for the trial of the action, it cannot be said that the plaintiff is "forum-shopping". In such a case, it has to be held that the plaintiff has commenced proceedings in a forum which is convenient.

73. In *Spiliada Maritime Corporation Vs. Cansulex Ltd.*, (1987) 1 AC 460 (which also popularly referred to as "The Spiliada case"), Lord Goff of Chieveley delivering the principal judgment of the House of Lords said ".... it can now be said that English law has adopted the Scottish principle of forum non conveniens".

74. Lord Goff of Chieveley in "The Spiliada", observed that "the burden resting on the defendant is not just to show that [the jurisdiction in which action has been commenced by the plaintiff] is not the natural or appropriate forum for the trial, but to establish that there is another available forum which is clearly or distinctly more appropriate than the [forum in which the plaintiff commenced proceedings]".

75. In *De Dampierre Vs. Dampierre*, [1988] A.C.92, the English Courts have effectively checked the evil, of "forum-

shopping". It held that the proper approach is to take into account the content of the foreign law which would be applied in the more appropriate forum and measure it against the acceptable standards of civilised countries and thereby come to a conclusion as to whether the particular principle to be applied in the more appropriate forum is so barbaric such that the court should not stay the proceedings commenced within the jurisdiction. As long as the foreign law to be applied in the more appropriate forum is not barbaric (measured against the laws of civilised countries) and as the plaintiff is consequently not denied substantial justice in the more appropriate forum, the court would stay the action commenced within the jurisdiction.

76. In *Re Harrods (Buenos Aires) Ltd (No.2)*, [1991] 4 All E.R.348, the English Court of Appeal pointed out that after "*The Spiliada*", applications for stay of proceedings commenced within the jurisdiction were to be approached on the basis of a two-stage inquiry:-

- i. whether there exists another forum, having competent jurisdiction, in which the case may be tried more suitably for the interests of all parties and for the ends of justice;
- ii. whether there exists circumstances by reason of which justice requires that a stay of proceedings should nevertheless not be granted. The onus is on the plaintiff in the action commenced within the jurisdiction to establish by cogent evidence that he will not obtain justice in the more appropriate foreign forum. The residual discretion not to stay the proceedings despite the finding of a more appropriate forum/court. It is a discretion which depends on the plaintiff making good his contention that the grant of a stay would deprive him of "legitimate personal or juridical advantages".

77. In *Brinkerhoff Maritime Drilling Corporation & Another Vs. P.T.Airfast Services Indonesia and Another*, [1992] 2 S.L.R. 776, the Court of Appeal endorsed and applied the principles laid down in "*The Spilida*". The learned Judge set out the applicable principles in the following manner:-

- (a) the basic principle is that a stay will only be granted on the ground of forum non conveniens where the court is satisfied that

there is some other available forum, having competent jurisdiction, which is the appropriate forum for the trial of the action, that is a forum in which the case may be tried more suitably for the interest of all the parties and the ends of justice;

(b) the legal burden of proof is on the defendant, but the evidential burden will rest on the party who asserts the existence of a relevant factor;

(c) the burden is on the defendant to show both that the jurisdiction wherein the action has been commenced is not the natural or appropriate forum, and also that there is another available forum which is clearly or distinctly more appropriate than the forum in which action had been commenced;

(d) the court will look to see what factors there are which point to the direction of another forum, as being the forum with which the action has the most real and substantial connection, for example factors affecting convenience or expense (such as the availability of witnesses), the law governing the transaction, and the places where the parties reside or carry on business;

(e) if at that stage the court concludes that there is no other available forum which is clearly more appropriate, the court will ordinarily refuse a stay;

(f) if there is another forum which prima facie is more appropriate the court will ordinarily grant a stay unless there are circumstances by reason of which justice requires that a stay should not be granted, and in this inquiry the court will consider all the circumstances of the case. But the mere fact that the plaintiff has a legitimate personal or juridical advantage in proceeding in the jurisdiction in which action has been commenced is not decisive; regard must be had to the interests of all the parties and the ends of justice.

78. In Brinkerhoff case referred to supra, the Court held that where there is a more appropriate forum, "a stay of the action would be ordered "unless there are circumstances by reason of which justice requires that a stay should not be granted, and in this inquiry the court will consider all the circumstances of the case."

79. If the defendant is not amenable to the other jurisdiction, the other jurisdiction cannot be said to be the more appropriate forum. The question therefore to be considered is whether there is another jurisdiction to which the defendant is amenable and is the forum conveniens? In answering this question, regard must be had to the fact of the particular case and identifying the facts and issues in the case which link the case to the foreign jurisdiction. It has been held that where the facts and issues in any particular case have "more real and substantial connections" with a foreign jurisdiction, the prima facie inference is that the foreign jurisdiction is the more natural and appropriate forum to hear the claim.

80. However, in suit filed for a bare injunction based on the specific averment in the plaint that the respondents/defendants were offloading their offending products in violation of the appellant's/plaintiff's patent within the jurisdiction of this court, the leave already granted by the Court cannot be revoked. It would be preposterous to drive the appellant/plaintiff to another jurisdiction where the appellant/plaintiff may not be able to get direct evidence. Further, the appellant/plaintiff is the dominus litis. The plaintiff is entitled to choose not only the parties but also the defendants and the Forum within whose jurisdiction the cause of action or part of cause of action arises. It is for the defendants to show that there exist another forum which is more appropriate and convenient for trying the suit. Sine qua non for applying Forum conveniens/Forum non conveniens is existence of jurisdiction in both the Courts and one of them is more appropriate. It is for the defendants to demonstrate the same.

81. Whether the respondents/defendants indeed violated the appellant's/plaintiff's patent within the jurisdiction of this court is an altogether different matter. It is matter concerned with appreciation of evidence during the course of trial. It cannot be decided in a summary manner based on the averment of the respondents/defendants in the affidavit filed in support of the applications for rejection of plaint and/or for revocation of the leave.

82. Leave granted by the Court can be revoked by applying doctrine of Forum Conveniens/Forum non Conveniens. In our view, courts have to be cautious of clever drafting and quell

vexatious suits and proceedings at the threshold if a plaintiff is either resorting to forum shopping or where leave can be rejected at the threshold by applying the doctrine. We would like to underscore that while granting leave, it is incumbent on the court to examine Forum non Conveniens/Forum Conveniens whether exparte or after notice to the defendants. In this case, we are of the view that this Court has jurisdiction to decide the lis between the parties in an action for infringement of patent.

83. The 1st to 3rd respondents/1st to 3rd defendants have not shown how other Courts are more appropriate to try the suit. Lengthy common counter filed by each of the 1st to 3rd respondents/1st to 3rd defendants has not addressed this issue. Even otherwise, there is insufficient material on record to show that jurisdiction of other courts was more appropriate than the jurisdiction of this court in the exercise of its original jurisdiction under Clause 12 of the Letters Patent.

84. We are therefore of the view that the following conclusions in the impugned order to revoke the leave already granted are not sustainable and are therefore liable to be set aside:-

(i) The infinitesimally small part of cause of action namely the impugned product being sold in Chennai by the 4th defendant, even assumed to be true, is not the pivotal issue which will determine the dispute.;

(ii) Further, the plaintiff has not placed any prima facie material to show that the 4th defendant is the authorised dealer/Agent or stockist of the manufacturer of the impugned product, to link the defendants 1 to 3 and the 4th defendant; and

(iii) The part of cause of action stated in the plaint to bring the suit within the territorial jurisdiction is insignificant. The proof required to decide the lis does not depend on those facts relating to 4th defendant, who is carrying on business at Chennai which only constitute an infinitesimally small part of cause of action.

85. Under these circumstances, we are inclined to allow this appeal filed by the appellant/plaintiff. It is for the respective respondents/defendants to approach either the Honourable Supreme Court for transfer of the above suit to another court if advised as was done earlier or in the

alternative defend themselves before this court in the said suit.

86. It is further to be noted that the patent dispute is a commercial dispute and is therefore to be tried expeditiously under the provisions of the Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Act, 2015. The proceedings are speed tracked under the provisions of the aforesaid Act. If plaint entertained by Civil Courts under Section 9 read with Section 20 of Code of Civil Procedure, it cannot be returned. Therefore, once a leave has been granted rightly, there is no question of revoking the leave in a Commercial Division.

87. In the light of the above discussion, we hereby allow these Original Side Appeals filed by the appellant/plaintiff. Accordingly, we restore C.S.No.410 of 2019 to the files of this court before the Commercial Division of this Court. The appellant/plaintiff and the respondents/defendants are directed to comply with the provisions of the Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Act, 2015. No cost. Consequently, connected Miscellaneous Petitions are closed.

Sd/-

Assistant Registrar(CS III)

//True Copy//

Sub Assistant Registrar

jen/kkd

To

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

+1cc to M/s.Arun C.Mohan, Advocate in Sr.No.36839

O.S.A.Nos.38, 40 & 42 of 2020 and
C.M.P.Nos.1518, 1538 & 1544 of 2020

BD(CO)
CS/19/04/2021