

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Reserved on: 01.10.2021

Pronounced on: 21.10.2021

Coram:

THE HONOURABLE DR. JUSTICE G. JAYACHANDRAN

C.S.No.162 of 2019

and

A.No.3185 of 2021

M/s.Simpson & Company Limited,
No.861/862, Anna Salai,
Chennai – 600 002
Represented by its Wholetime Director
Mr.PS.Rajamani

... Plaintiff

/versus/

Shri Rhythm Agarwal,
Trading as
Radisson Paints,
Plot No.1-2, near Bihariji Petrol Pump,
Nandlalpur, Hathras Road,
Agra – 282 006.
Uttar Pradesh

...Defendant

Prayer: Civil Suit has been filed under Order IV, Rule 1 of the Original Side rules read with Order VII Rule 1 of C.P.C Rules read with Sections 27, 134 & 135 of the Trade Marks Act, 1999 & proviso 1 to Section 7 of the Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Act, 2015, praying for

(a). Permanent injunction restraining the defendant themselves, their partners, successors-in-business, servants, agents, distributors, dealers, stockists, wholesalers, retailers, shop keepers, representatives, assigns and all other persons claiming through them from manufacturing, selling and distributing, advertising paints and other products falling under class 2 using the 'Radisson' trademark which is deceptively similar to the plaintiff's 'Addisons' trademark amounting to infringement of the plaintiff's registered trademark 'Addisons' in any manner whatsoever;

(b). Permanent injunction restraining the defendants by themselves, their directors, legal representatives, successors-in-business, assigns, servants, agents, transporters, distributors, printers, dealers, stockists, wholesalers, retailers, advertisers or any one claiming through or under them from committing acts of passing off and enabling others to pass off by manufacturing, distributing, marketing, selling, offering for sale, advertising or in any other manner dealing in paints or any other product bearing the deceptively similar mark 'Radisson', using any similar label, get-up, or packaging, which in any manner whatsoever would be considered to be similar to the plaintiff's mark, get up or packaging;

(c). The defendant be ordered to pay to the plaintiff a sum of Rs.10,00,000/- as damages for committing acts of infringement of trademark and passing off;

(d). The defendant be ordered to surrender to the plaintiff for destruction all goods, advertisement materials, packing materials, cartons, wrappers, labels in respect of paints and other allied/cognate goods containing the offending

mark/label or any other mark/label similar to plaintiff's trademark/labels 'Addisons';

(e). Preliminary decree be passed in favour of the plaintiff directing the defendants to render true and faithful account of profits earned by them by use of offending trademark for paints or other allied and cognate goods and a final decree be passed in favour of the plaintiff for the amount of profits thus found to have been made by the defendant after the latter have rendered accounts;

(f). for entire costs of the suit.

For Plaintiff : Mr.N.Ram Kumar, for
Mr.Arun C. Mohan

For Defendant : Mr.Rahul Jain

J U D G M E N T

A.No.3185 of 2021 is the defendant's application to return the plaint in C.S.No.162 of 2019 to Hon'ble High Court of Allahabad, within whose territorial jurisdiction both the plaintiff and the defendant are carrying on business, besides the alleged cause of action viz infringement of trademark and passing off had arisen.

2. The subject plaint presented before the Registry of the Original side of Madras High Court on 26/02/2019, disclosing the plaintiff registered office at Chennai and the defendant's place of business at Agra, U.P. The suit was admitted on the next day assigning Civil Suit (Commercial) No.162 of 2019.

3. The plaint averments in short is that, M/s.Addisons Paints and Chemicals Limited, which was incorporated in the year 1948 for manufacturing a range of special paints and chemical products, on merger, vide order dated 20.01.2002 passed by BIFR became a fully owned subsidiary of M/s.Simpson and Company, having its registered office at Anna Salai, Chennai (plaintiff). During the course of the trade, the mark 'Addisons' is honestly adopted and used by the plaintiff without any interruption. Registration obtained for the mark 'Addisons' under various classes including class 2 with respect to paints, lacquers, primers, varnish etc. The said registration is valid and in force till date. While so, around May 2018, the plaintiff came to know that the defendant - Shri.Rhythm Agarwal, is carrying on trade in the name 'Raddison Paints' at Agra in the State of Uttar Pradesh by adopting a deceptively similar mark with respect to an identical class of goods, viz., paints.

4. Alleging that the defendant is manufacturing paints and marketing it with deceptively similar mark, with the first letter R in 'Raddison' written in stylish way that it is barely noticeable and the remaining words 'adission' alone visible more clearly to the unwary customers of average intelligence. Hence the suit for permanent injunction restraining the defendant from infringing and passing off laid before the Original Side of the Madras High Court.

5. In the plaint, the jurisdiction of this court is explained at paragraph No.18 as below:

"18. The plaintiff has its registered place of business at Chennai and carries on business at Chennai, within the jurisdiction of this Hon'ble Court. A substantial part of the cause of action arises in Chennai within the jurisdiction of this Hon'ble High Court. This Commercial Division of this Hon'ble High Court has jurisdiction to entertain and try the suit in respect of trademark infringement within the meaning of Section 134 of Trade Marks Act, 1999, read with the first proviso of Section 7 of the Commercial Courts Act, 2015. The subject matter of the present Commercial Suit is a "commercial dispute" as defined in section 2(1)(c)(xvii) and falls under the first proviso of section 7 of the Commercial Courts, Commercial Division and Commercial Appellate Division of the High Courts Act, 2015(Act 4/2016)."

6. The defendant seeks for transfer of the suit to Allahabad High Court, claiming that, the plaintiff has not established the cause of action within the jurisdiction of Madras High Court in terms of Section 134(2) of the Trade Marks Act, 1999. In the affidavit filed in support of the application, the defendant admits that, he is carrying on business in the name and style of “M/s.Radisson paints” at Agra. He manufactured paints and supply his products only within the state of UP, under different brand names like New lite, True Guard, etc., and those names are duly registered and valid. The main region of business activity of the defendant is confined to Agra and few other districts in the state of UP. In all the defendant products, its trade name ‘Radisson’ is written, in an easily identifiable manner even to the layman.

7. The plaintiff is operating business through its Branch Office situated at B-136, Gate No.1, Prakash Industrial Estate, G.T.Road, Sahibabad, Near Gyani Border, Ghaziabad District, State of Uttar Pradesh. While the plaintiff carry on business through its Branch within the state of Uttar Pradesh where the defendant also carries on business, on the contrary, the defendant is not doing any business in Chennai or elsewhere within the state of Tamilnadu. Therefore, the cause of action, if any for the alleged infringement can only arise in State of Uttar

Pradesh and not in Tamil Nadu. Section 134(2) of the Trade Marks Act, recognises the territorial jurisdiction of the courts where the cause of action has arisen wholly or in part at a place where the plaintiff resides or carries on business or personally works for gain. The cause of action shown in the plaint is adequate to confer jurisdiction on the Madras High Court to entertain the suit. Hence the suit filed in Madras High Court is abuse of process of court.

8. Per contra, the plaintiff as respondent in this application had filed counter wherein the application is contested as devoid of merit. The jurisdiction of this court to try the suit is justified for the following reasons:-

1).The application under Order VII Rule 10 of CPC in the suit filed on the Original Side of the High Court is barred under Order 49 Rule (3) of CPC.

2). The infringement suit before the High Court of Madras where the plaintiff's place of business located is maintainable within the meaning of section 134(2) of the Trademarks Act read with section 7 of the Commercial Courts, Act.

3). No protest raised by the applicant to the application for combining cause of action viz., infringement of Trademark and passing off.

4). Commercial Division of this Court has determined its jurisdiction vide order dated 14/07/2021. The applicant accepted it and had gone for trial on

completion of pleadings.

5). This application filed with mala fide intention at belated stage, to harass and frustrate the plaintiff is to be dismissed.

8. The Learned Counsel for the respondent/plaintiff submitted that, under Order 49 Rule 3 of C.P.C certain provisions of C.P.C are not applicable to Chartered High Courts and excluded from operation. Order VII Rule 10 C.P.C., is one among those excluded provisions. Therefore, the Madras High Court being a Chartered High Court, the right to invoke Order VII Rule 10 of CPC is not available to the applicant in view of the specific exclusion of the said provision under Order 49 Rule 3 of C.P.C.

9. Further, Application No.1661 of 2019 seeking leave to combine causes of action arising for infringement of trademark and for passing off was considered by this Court and allowed on 06.11.2019. This order was accepted without any demur. Similarly, while considering the Application No.1611 of 2021 filed by the defendant causing interrogatories, this Court has determined its jurisdiction. The applicant thereafter had participated in the trial and had cross examined P.W-1 and also marked documents through this witness. Under Section

134 of the Trade Marks Act, no suit for infringement can be filed in a court inferior to District Court, in other words, suit for infringement to be instituted before District Court where the parties carrying on business. In this case, the plaintiff registered office is at Chennai, it has the Branch Office at Ghaziabad District, Uttar Pradesh. The defendant place of business is in Agra District. Therefore, it is incorrect to say that the plaintiff and the defendant carrying on business within the jurisdiction of same court. Being the dominus litus the plaintiff had opted the situs where its registered office is situated. The infringer cannot dictate the plaintiff to travel to his place and sue him, when the law confers jurisdiction to the Madras High Court where the plaintiff carries on business.

10. The learned counsels to buttress their submissions cited the following judgments for consideration of this court.

1. *M/s Duro Flex Pvt Ltd -vs- M/s Duroflex
Sittings System* reported in *2014-5-LW-673*.

2. *Indian Performing Rights Society Ltd -vs-
Sanjay Dalia and another* reported in *2015 (10) SCC
161*.

3. *Ultra Home Construction Pvt. Ltd -vs-
Purushottam Kumar Chaubey and others* reported in

MANU/DE/0121/2016.

4. *P.K.Sen -vs- Exxon Mobile Corporation and others* reported in MANU /DE/0016/2017.

5. *Hindustan Organic Chemicals Ltd -vs- ICI India Ltd* reported in MANU/MH/0083/2017.

11. In the course of considering the issue whether suit for infringement can be filed at the place of the registration of the trademark, Full Bench consists of three judges of Madras High court in '*Duro Flex case*' cited supra, applied the 'connecting factor' test and principles of 'forum convenience' and 'balance of convenience of the parties' to conclude that, neither Section 134 of Trade Marks Act nor Section 62 of the copy right Act confers jurisdiction to the court where the registration office of the impugned trademark/copyright is located. If the legislative intent was so, it would have been accordingly provided in the statute itself. Mere registration of the trademark would not create complete cause of action. The registration of the mark is a fact, but cause of action would consist of a bundle of facts. More than one fact would have to be taken into account to determine the location of a particular trademark which connects the trademark to the place. Thus, it is the duty of the court to ascertain what facts constitutes cause of action.

12. In *Ultra Home Construction Pvt Ltd -vs- Purushottam Kumar Chaubey and others*, cited *supra*, the Division Bench of the Delhi High Court, while considering the issue of jurisdiction in the appeal against the judgement of dismissal of the suit on the ground no cause of action arose within the territorial jurisdiction of Delhi High Court, propounded a table as under, harmonising Section 134(2) of the Trade Mark Act, Section 20 of C.P.C., following the dictum laid in a). *Indian Performing Rights Society Ltd -vs- Sanjay Dalia* reported in *MANU/SC/0716/2015* and b). *Dhodha House -vs- S.K.Maingi* reported in *MANU/SC/2524/2005*.

Sl. No.	Place of Plaintiff's Principal Office (Sole Office in S.No.1)	Place of Plaintiff's Subordinate/ Branch Office	Place where cause of action arose	Place where Plaintiff can additionally sue under section 134(2) and section 62(2)
1	A	--	C	A
2	A	B	A	A
3	A	B	B	B
4	A	B	C	A

13. Following *Ultra Home Construction* case, in *P.K.Sen -vs- Exxon Mobile Corporation and Others* cited *supra*, the suit filed in Delhi High Court by two plaintiffs, the registered proprietor of the trademark incorporated in USA along with subsidiary company incorporated in India as the permitted user of the

trademark and carrying on business in Delhi against the defendant carrying on business at Kolkata, was ordered to be returned, for to be filed before the Court having jurisdiction, for the following reasons:-

- i). The principle place of business of the first plaintiff is in USA and not in Delhi.
- ii). The second plaintiff is a subsidiary of the first plaintiff. The second plaintiff is not the proprietor of the trademark but only a permitted user of the trademark.
- iii). Under Section 53 of the Trademark Act, the permitted user cannot institute a suit for infringement of a registered trade mark .
- iv). The defendant carries on business at Kolkata and no cause of action is alleged to have arisen in Delhi.

14. In Hindustan Organic Chemicals Ltd case cited supra, the Learned Single Judge of the Bombay High Court held that petition to return the plaint is not maintainable before the Chartered High Court exercising its ordinary or extraordinary original jurisdiction, since under Or 49 Rule (3), the application of Or VII Rule 10 CPC is exempted. Hence, the suit was dismissed with liberty to

file fresh suit on the same cause of action as only part cause of action arose within the jurisdiction of the Bombay High Court and the plaintiff did not obtain prior leave under Clause 12 of the Letters Patent.

15. This judgement of the Single Judge of Bombay High Court heavily relied by the counsel for the Respondent/plaintiff to buttress his argument that, Madras High Court being a Chartered High Court, Order 49 Rule (3) (1) of the Code of Civil Procedure exempts the application of Order VII Rule (10) of CPC, hence the application to reject the plaint is not maintainable.

16. The instant case is filed by the registered proprietor of a Trade Mark for injunction alleging infringement of the trademark 'ADDISONS' and passing off before the Court which has territorial jurisdiction over its Registered Office. It is not a fact in dispute that the plaintiff registered office is at Chennai and the trademarks were registered at the office of the Registrar of Trademarks at Chennai. It is also not a fact in dispute that the defendant is using the mark 'Radisson' for its products. Both the plaintiff and defendant are in the trade of manufacturing and marketing paints. The point in dispute is regarding the situs of the litigation. Since, the defendant place of business is at Agra, UP.

17. The applicant case is that the suit is not maintainable before this court since no cause of action arisen within the territorial jurisdiction of this court. The respondent case is that, Chennai being the principle place of business where the registered office of the plaintiff is located, under section 134(2) of the Trade marks Act, suit before Madras High court is well maintainable. The application to return the plaint is not sustainable in view of Or 49 Rule (3) (1) of CPC.

18. The instant case is filed as commercial dispute invoking the commercial courts Act alleging infringement of the trademark ADDISONS. As far as the subject matter of the suit being dispute regarding the intellectual property, under section 2(1)(c)(xvii) of the Commercial Courts Act, the jurisdiction of commercial division of the High Court is determined. Also, leave under Clause XIV of the Letters Patent to combine causes of action viz infringement of trade mark and passing off is granted. Suit is presented on the ordinary original jurisdiction of the High Court, hence the territorial jurisdiction has to be determined as per clause 12 of Letters Patent. It is pertinent to note, though cause of action partly arisen outside the territorial jurisdiction of this court and the defendant not carrying on any business within the jurisdiction of this court, the plaintiff has not obtained prior leave to sue. In the said factual

background, for considering the rival submissions, it is necessary to consider the following provisions of law and its applications.

i). Section 117 of C.P.C, which says, ‘save as provided in this Part (Part IX) or in Part X or in rules, the provisions of this Code shall apply to such High Courts.

[Part IX of C.P.C covers Section 116 to 120, Part X covers Section 121 to 131]

ii). Section 120 of C.P.C, which says, sections 16,17 and 20 of CPC will not apply to the High Court in the exercise of its original civil jurisdiction.

iii). Order VII Rule (10) of C.P.C, which says, plaint shall at any stage be returned to be presented to the court in which the suit should have been instituted.

iv). Order XLIX Rule (3) (1), which says, Order VII Rule (10) shall not apply to any Chartered High Court in the exercise of its ordinary or extraordinary original Civil jurisdiction.

v). Clause 12 of Letters Patent, which mandates prior leave of the court to sue the defendant(s) if they carry on business, reside or work for gain outside the territorial jurisdiction of this court and part cause of action falls outside the territorial jurisdiction of the High Court of Madras.

vi). Section 16 of the Commercial Courts Act, which says, any provisions of any rule of the jurisdictional High Court or any amendment of the CPC by the State Government if in conflict with the provisions of CPC as amended by the commercial courts Act, the provisions of CPC as amended by the commercial courts Act will prevail.

19. Let us first consider the point whether the application under Order VII rule 10 of C.P.C., is maintainable in view of the embargo laid in Order 49 Rule 3(1) of CPC:-

Order 49 Rule (3) of C.P.C enlists certain provisions of C.P.C as not applicable in so far as the Chartered High Courts are concern. The said provision reads as below:-

Order XLIX : CHARTERED HIGH COURTS:

1.....

2

3. *APPLICATION OF RULES: The following Rules shall not apply to any Chartered High Court in the exercise of its ordinary or extraordinary original civil jurisdiction, namely:-*

(1) rule 10 and rule 11, clause (b) and (c) of Order VII.

(2)

(3)

(4)

(5)

(6)

20. If this provision is be strictly interpreted and applied, plaints which are otherwise liable to be returned under Order VII Rule (10) of the Code has to remain and be decided by the Chartered High Court though it may lack territorial jurisdiction. Reading of Order VII Rule 10 along with its explanation, it is sufficiently clear that, this provision can be invoked at any stage including at appellate stage, so the decision of the Chartered High Court without jurisdiction may be set aside by the Apex Court in appeal. To avert the said miscarriage of justice, after due consideration, Division Bench of this court in ***R.P. O'Connor -vs- P.G. Sampath Kumar*** reported in ***AIR 1953 Mad 897*** lead by Chief Justice Rajamannar put rest to this issue by holding that, to meet the ends of justice, petition to return the plaint can be entertained by a Chartered High Court, by exercising the inherent power under Section 151 C.P.C notwithstanding the embargo under Order 49 Rule (3) of C.P.C. Therefore, this issue is no more *res integra* at least as far as Madras High Court is concern.

21. The relevant passages in *R.P.O'Connor* judgment cited supra dealing with the facts, single judge point of reference to the larger bench and the decision of the Division Bench is extracted in brief for clarity:

“1. The applicant filed a suit on the original side of this court for the recovery of a sum of Rs.6720 alleged to be due on a promissory note executed by the defendant in favour of his mother. The defendant pleaded 'inter alia' that the court had no jurisdiction to entertain the suit as the defendant was a permanent resident of Bangalore and the promissory note and the endorsements thereon were made outside the limits of the original jurisdiction of this court. Thereupon, the applicant took out an application praying that the plaint which he had filed should be returned to him. In the affidavit filed by him in support of the application he stated that in order to enable him to pursue his remedies it is necessary that an order should be made directing the return of the plaint to him and this court had jurisdiction to return the plaint for presentation to the proper court once it found it had no jurisdiction to entertain the suit. The application came on before Panchapakesa Ayyar J. who heard counsel on both sides and directed the papers to be placed before me for

constituting a Full Bench to consider this point. I have however thought it was unnecessary to constitute a Full Bench because there was no conflict of decisions of Division Benches in our Court.

2. The question for decision as framed by Panchapakesa Ayyar J. is as follows :

"Whether a Chartered High Court has not got inherent powers under Section 151, C. P. C. to return a plaint entertained by it in the exercise of its ordinary or extraordinary original jurisdiction for presentation to the proper court for the ends of justice despite the provisions of Order 49, Rule 3, C. P. C.

3. Order 7, Rule 10(1) of the Code provides that a plaint shall at any stage of the suit be returned to be presented to the court in which the suit should have been instituted. Order 49, Rule 3 of the Code declares that this rule among other rules shall not apply to any Chartered High Court in the exercise of its ordinary or extraordinary original civil jurisdiction. There is no rule similar to Order 7, rule in of the Code made by this Court in the exercise of its rule making powers. The position therefore is that there is no express provision in the Code or in the rules framed by this court for the

return of a plaint filed on the Original Side of this court when it is found that this court has no jurisdiction to entertain the suit. It therefore becomes necessary to consider whether Section 151 of the Code can be invoked, that is-to say, whether it, can be held that this court has inherent power to make an order directing the return of a plaint if it is necessary for the ends of justice or to prevent abuse of the process of court.

.....

9. *It appears clear to me from the authorities above cited that the fact that this court is a court of record does not' necessarily imply that it has no power to return any document presented to it and especially so a plaint which it has no Jurisdiction to entertain. There might have been an impression that as a court of Record this Court should keep on its file all the proceedings before it. But there is nothing either in the Letters Patent or in any Statute which makes it incumbent on this court on its Original Side to retain on its file even plaints which ought not to have been properly presented to this court.*

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12. *After giving my full consideration to the matter, I am of opinion that it is open to this court to direct the plaint to be returned to the plaintiff for*

presentation to the proper court when this Court finds that it has no jurisdiction to entertain it.”

22. Thus, it is clear from the above decision of the Division Bench of this Court, ‘in case any suit without jurisdiction is instituted before the ordinary original side jurisdiction of the Madras High Court, *dehors* of specific exclusion of Order VII Rule (10) CPC, under Order 49 (3) (1) of the Code, to meet the ends of justice and to prevent abuse of process of the court, High Court can exercise its inherent power under Section 151 C.P.C to return the plaint for to be presented before the court having jurisdiction. The principle underscored in this judgment is that, the plaintiff should not be non-suited and left without remedy for choosing a Court which lack territorial jurisdiction.

23. In view of the above direction, this Court holds application filed under Order VII Rule 10 of C.P.C is maintainable.

24. The next point to be considered is whether the plaintiff place of business and registered office falling within the territorial jurisdiction of this Court is suffice to confer jurisdiction to this Court to try the suit in the light of section

134(2) of the Trade Marks Act,1999.

25. Section 134 of the Trade Marks Act reads as below:-

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

(1) No suit--

(a) for the infringement of a registered trade mark; or

(b) relating to any right in a registered trade mark; or

(c) for passing off arising out of the use by the defendant of any trade mark which is identical with or deceptively similar to the plaintiff's trade mark, whether registered or unregistered,

shall be instituted in any court inferior to a District Court having jurisdiction to try the suit.

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

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

26. In Section 134(2) of the Trade Marks Act, the expressions 'notwithstanding anything contained in the code of Civil Procedure, 1908 or any other law for the time being in force' and 'include a District Court' was called for interpretation, in Indian Performing Rights Society Ltd case the Hon'ble Supreme Court held that,

"17. Accrual of cause of action is a sine qua non for a suit to be filed. Cause of action is a bundle of facts which is required to be proved to grant relief to the plaintiff. Cause of action not only refers to the infringement but also the material facts on which right is founded. Section 20 of the CPC recognises the territorial jurisdiction of the courts inter alia where the cause of action wholly or in part arises. It has to be decided in each case whether cause of action wholly or in part arises at a particular place. As held by this Court in Rajasthan High Court Advocates Association v. Union of India & Ors. [AIR 2001 SC 416]. Thus, a plaintiff can also file a suit where the cause of action wholly or in part arises.

18. On a due and anxious consideration of the provisions contained in section 20 of the CPC, section 62 of the Copyright Act and section 134 of the Trade Marks Act,

and the object with which the latter provisions have been enacted, it is clear that if a cause of action has arisen wholly or in part, where the plaintiff is residing or having its principal office/carries on business or personally works for gain, the suit can be filed at such place/s. Plaintiff(s) can also institute a suit at a place where he is residing, carrying on business or personally works for gain de hors the fact that the cause of action has not arisen at a place where he/they are residing or any one of them is residing, carries on business or personally works for gain. However, this right to institute suit at such a place has to be read subject to certain restrictions, such as in case plaintiff is residing or carrying on business at a particular place/having its head office and at such place cause of action has also arisen wholly or in part, plaintiff cannot ignore such a place under the guise that he is carrying on business at other far flung places also. The very intendment of the insertion of provision in the [Copyright Act](#) and [Trade Marks Act](#) is the convenience of the plaintiff. The rule of convenience of the parties has been given a statutory expression in section 20 of the CPC as well. The interpretation of provisions has to be such which prevents the mischief of causing inconvenience to parties.

19. The intendment of the aforesaid provisions inserted in the [Copyright Act](#) and the [Trade Marks Act](#) is to provide a forum to the plaintiff where he is residing, carrying on business or personally works for gain. The object is to ensure

that the plaintiff is not deterred from instituting infringement proceedings “because the court in which proceedings are to be instituted is at a considerable distance from the place of their ordinary residence”. The impediment created to the plaintiff by section 20 C.P.C. of going to a place where it was not having ordinary residence or principal place of business was sought to be removed by virtue of the aforesaid provisions of the Copyright Act and the Trade Marks Act. Where the Corporation is having ordinary residence/ principal place of business and cause of action has also arisen at that place, it has to institute a suit at the said place and not at other places. The provisions of section 62 of the Copyright Act and section 134 of the Trade Marks Act never intended to operate in the field where the plaintiff is having its principal place of business at a particular place and the cause of action has also arisen at that place so as to enable it to file a suit at a distant place where its subordinate office is situated though at such place no cause of action has arisen. Such interpretation would cause great harm and would be juxtaposed to the very legislative intendment of the provisions so enacted.”

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27. As far as the instant case is concern, the suit is laid at Chennai, where the registered office is located. The defendant wants the suit to be transferred to Allahabad High Court, since he is carrying on business at Agra and

the plaintiff is having its branch office at Gaziabad, both districts fall within the jurisdiction of the Allahabad High Court.

28. Case Law referred indicates, Several suits filed at the place of Branch Office, by reading down the explanation to Section 20 of C.P.C, challenged on the ground of lack of jurisdiction. Courts on considering the facts of each case had decided either way keeping in mind that the very intendment of the insertion of provision in the Trade Mark Act (Section 134) and Copy Right Act (Section 62) is the convenience of the plaintiff. The interpretation of provisions has to be such which prevents the mischief of causing inconvenience to parties.

29. Accrual of cause of action is a *sine qua non* for a suit to be filed. Cause of action is bundle of facts which required to be proved to grant relief to the Plaintiff. Cause of action not only refers to the infringement but also the material facts on which right is founded. In Duro Flex case, the full bench of this court has observed that place of registration is one of the fact but mere registration of the trademark would not create complete cause of action. The situs of the registration of trademark is with the Trademark Registry in Chennai by itself would not be sufficient to give rise to cause of action to institute the suit in Madras High Court,

though it may be a factor to be taken into account, among the bundle of facts, for purposes of determining the situs of the cause of action. Therefore, in the light of Section 120 of C.P.C which excludes Section 16, 17 and 20 of C.P.C in so far as Original Civil Jurisdiction of High Court, Clause 12 of Letters Patent gains significances.

Clause 12 of Letters Patent:-

“And We do further ordain that the said High Court of Judicature at Bombay, in the exercise of its ordinary original civil jurisdiction, shall be empowered to receive, try, and determine suits of every description, if, in the case of suits for land or other immovable property such land or property shall be situated, or in all other cases if the cause of action shall have arisen, either wholly, or in case the leave of the Court shall have been first obtained, in part, within the local limits of the ordinary original jurisdiction of the said High Court or if the defendant at the time of the commencement of the suit shall dwell or carry on business, or personally work for gain, within such limits; except that the said High Court shall not have such original jurisdiction in cases falling within the jurisdiction of the Small Cause Court at Bombay, or the Bombay City Civil Court.”

30. Clause 12 of the Letters Patent of the Madras High Court provides

for two categories of Suits, namely (i). Suits pertaining to immovable properties i.e., suit for land or property and (ii). all other suits i.e., Suits other than those for lands or properties. Suit in connection with intangible rights like trademark, copy right etc., falls under the second category. Three situations arise for maintaining a Suit in respect of the second category of the Suits. They are:-

- a).Where cause of action has wholly arisen within the territorial jurisdiction of this Court
- b).Where cause of action has arisen in part, leave of this court should have been first obtained and
- c).Where defendant at the time commencement of the Suit dwells/carries on business or personally works for gain within the territorial jurisdiction of this Court.

Thus, it is clearly spelt under clause 12 of the Letters Patent that, the High Court is empowered to receive, try and determine suits of every description, if leave of the court is first obtained, in cases where the cause of action arisen in part within the local limits of the ordinary original jurisdiction of the High Court.

31. To sum up, the place of plaintiff business is an additional jurisdiction conferred under the Trade Marks Act. Section 134(2) includes the district court where the place of plaintiff business located as additional place of suing notwithstanding anything contain in CPC or any other law in force. The word 'includes' should be given its plain meaning and read as it is. Courts have held in uniformity the place of plaintiff's business/residence/work for gain *per se* will not confer jurisdiction it must also be the place where whole or part cause of action arisen. Letters Patent is the law in force governing the Jurisdictional court. Clause 12 of the Letters Patent is the provision which deals with ordinary original civil jurisdiction of High Court of Madras. This provision is not in conflict with any of the provisions of CPC as amended by Commercial Courts Act. Clause 12 of the Letters Patent mandates prior leave of the court to sue if whole cause of action is not within the territorial limit of this court. Therefore, when any suit for infringement of trademark is filed before the original side of the High Court, whether any leave to combine the causes of action sought/granted or not, if the cause of action not arisen wholly within the territorial limits of the High Court, leave to sue is an essential pre requisite.

32. In *Urooj Ahmed, Lords Enterprises (India) -vs- Preethi Kitchen Appliances Pvt. Ltd.*, reported in (2013) 6 CTC 247, the Division Bench of this Court following the judgment of another Division Bench held that, “there is no difficulty in appreciating the submissions of the learned counsel appearing for the appellant that when there is a part of cause of action having arisen outside the jurisdiction of the Court, a leave under Clause 12 of the Letters Patent is required mandatorily. Consequently, when such a leave has not been obtained already, the same cannot be cured subsequently, as held by this Court in, *The Clan Line Steamers Ltd., V. Gordon Woodroffe & Co., (AIR 1980 Madras 73)*. However, the said proposition of law on the interpretation of Clause 12 of the Letters Patent does not have any application to the present case. As discussed earlier, there are specific averments in the plaint about the defendants selling their infringing goods at Chennai and passed off their own goods as that of the plaintiff. In view of the said averments, we do not find that the plaint is liable to be rejected for not obtaining leave as the same is not required under law.”

33. It is pertinent to note that, in the plaint there is no averment that the defendant is selling its product within the territorial jurisdiction of this court thereby causing passing off. It is also not the case of the plaintiff that the “whole”

cause of action arose within the territorial limit of this Court. The bundle of facts as stated in the plaint just say “substantial part” of cause of action arisen within the territorial jurisdiction of this court. But then, the suit is laid without obtaining prior leave to sue.

34. Under clause 12 of the Letters Patent, leave to sue is a mandatory requirement to sue the defendant who is not carrying on business within the territorial limits of this court and when only part cause of action has arisen within the territorial jurisdiction of this Court. In the instant case, the plaintiff has not obtained prior leave of the court, hence there is a legal impediment an embargo for the plaintiff to sustain the suit.

35. In this case, the plaint states that substantial cause of action had arisen within the jurisdiction of this Court. It is not the plaintiff's assertion that the whole cause of action arisen within the local limits of this Court. The expression ‘substantially’ and ‘wholly’ are not interchangeable or synonyms. They mean different state of affairs. Admittedly, the defendant is not carrying on his business within the jurisdiction of this Court. The cause of action for infringement and passing off substantially outside the territory of this Court.

Therefore, leave to sue under clause 12 of Letters Patent is a prerequisite to admit the suit on file. The irregularity in taking the suit on file contrary to law is not a condonable action. Law does not even postulate post- grant of leave. Further, leave to sue is not an absolute right, it may either be refused or may be revoked at later point of time, if it is found the balance of convenience is otherwise.

36. This Court is of the view that the suit is to be dismissed for the lapse/omission to follow the mandatory procedure laid under Clause 12 of the Letters Patent. However, the remedy of the plaintiff for enforcing his lawful right cannot be taken away for the said reason. Hence, the plaintiff is given liberty to file fresh suit for the same cause of action before the appropriate court following appropriate procedure.

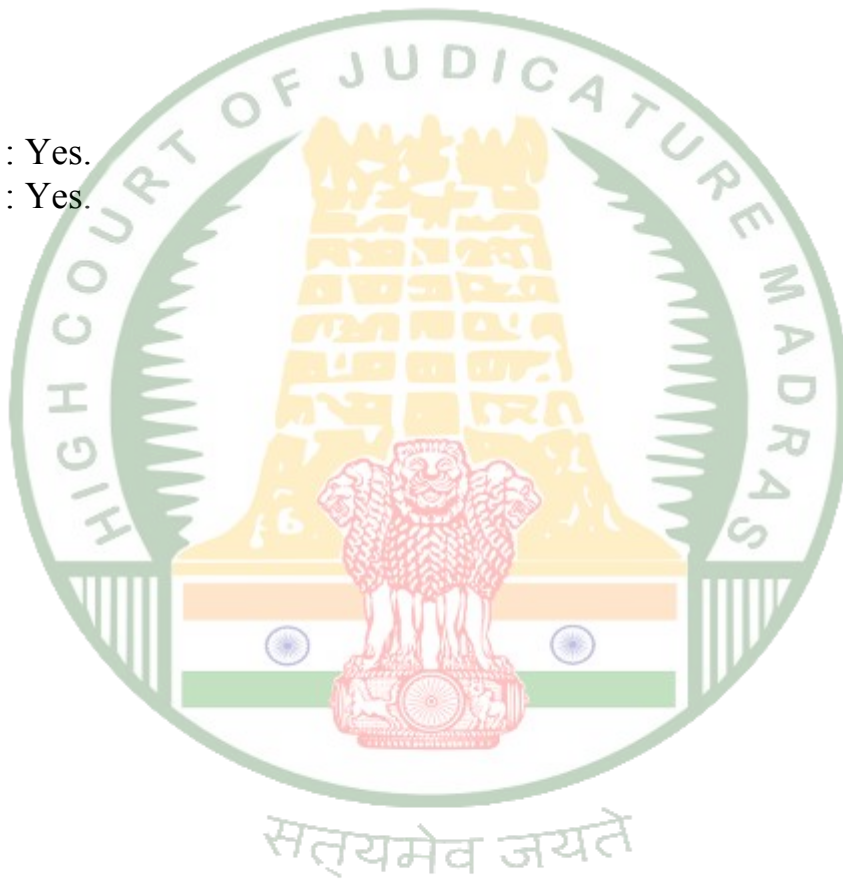
37. On application, the parties are permitted to get back the original documents. Certified copies of the original document to be retained for record.

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37. Accordingly, C.S.No.162 of 2019 is dismissed and Application No.3185 of 2021 is disposed as above. No order as to costs.

21.10.2021

Index : Yes.
Internet : Yes.
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Dr.G.Jayachandran,J.

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Pre-delivery order in
C.S.No.162 of 2019
and A.No.3185 of 2021

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