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Application No.3675 of 2021
in C.S.(Comm.Div.) No.14 of 2021

N. ANAND VENKATESH. J.

The present application has been filed by the defendant, questioning the territorial jurisdiction of this commercial division in proceeding further in this suit. The respondent/plaintiff has filed this suit against the applicant/defendant based on the grievance that the respondent's registered trademark and the copyright in the artistic work of their label are infringed by the applicant and that the applicant is passing off under a deceptive label and deceptive mark as and for like that of the respondent's. The respondent has, therefore, sought various reliefs on this ground.

2. The applicant filed the written statement wherein a specific stand has been taken by the applicant to the effect that not a single cause of action arose within the jurisdiction of this Court and that the suit itself has been filed only on the basis of the location of one of the branch offices of the respondent in Chennai. Therefore, apart from defending the case on merits, the applicant



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has raised a preliminary objection regarding the territorial jurisdiction of this Court to try the suit.

3. In view of the preliminary objection raised in the written statement, touching upon the jurisdiction of this Court, the applicant has filed the present application to ascertain the jurisdiction of this Court before proceeding further with the suit.

4. Heard Mr.S.R.Raghunathan, learned counsel for the applicant and Mr.R.Sathish Kumar, learned counsel for the respondent.

5. The respondent/plaintiff has traced the jurisdiction and laid the present suit before this Court by placing reliance upon Section 134(2) of the Trade Marks Act, 1999. (hereinafter referred to as “**the Act**”) and Section 62(2) of The Copyright Act, 1957 (hereinafter referred to as “**Copyright Act**”). For proper appreciation, the relevant paragraph from the plaint is extracted hereunder:



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“23) The plaintiff states that they are also having business branch office at Chennai and they are carrying on business from and in Chennai within the jurisdiction of this Hon’ble Court by having included Chennai Branch office in GST certificate and as such this Hon’ble Court has statutory territorial jurisdiction to entertain and try this suit under Sec. 134(2) of the Trademarks Act, 1999 and Sec. 62 (2) of the Copyrights Act.”

6. The preliminary objection raised by the applicant/defendant in the written statement is extracted hereunder:

“3. It is submitted that the Plaintiff’s place of business is only at Sivakasi. It is submitted that the presence of a branch office at Chennai does not attract the jurisdiction of this Hon’ble Court unless the plaintiff can substantiate the cause of action, if any, arose within the jurisdiction of this Hon’ble Court. It is submitted that to constitute “carrying on business” at a certain place, the essential part of the business must take place in that particular place.

4. It is submitted that there has been no transaction in the branch office or that there is no proof to substantiate that the GST was paid from the branch office that is located within the jurisdiction of this Hon’ble Court. It is further submitted that merely the presence of a branch office in Chennai where



there is no essential part of the business being carried will not fall under the ambit of the definition "carrying on business"."

7. Upon a careful reading of the plaint filed by the respondent, it is seen that the principal place of business of the respondent is Sivakasi. The place of business of the applicant is Gudiyatham. The allegation made in the plaint is to the effect that during the first week of December 2019, the respondent found that the applicant is manufacturing/marketing and distributing the product mainly in the State of Karnataka. The respondent has filed the present suit before this Court solely based on the averment that the respondent has a branch office in Chennai and that, therefore, according to Section 134(2) of the Act and Section 62(2) of the Copyright Act, the suit would fall within the jurisdiction of this Court.

8. The important question that arises for consideration in the present application is whether the respondent, based on the location of their branch office, can maintain the present suit within the territorial jurisdiction of this Court. A connected issue that



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arises for consideration is whether the respondent can be non-suited by applying the principle of *forum conveniens*.

9. Before proceeding further to consider the issue that has been taken up in the application, it will be beneficial to extract Section 134 of the Act and Section 62 of the Copyright Act hereunder:

134. *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*

62. *Jurisdiction of court over matters arising under this Chapter—*

(1) Every suit or other civil proceeding arising under this Chapter in respect of the infringement of copyright in any work or the infringement of any other right conferred by this Act shall be instituted in the district court having jurisdiction.

(2) For the purpose 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 other 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.

10. The crux of the issue is in understanding the terms

“actually and voluntarily resides or carries on business or



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personally works for gain”. The language used in both the enactments are in *pari materia*. It must be borne in mind that the legislature employed the above phrase in the Copyright Act, with an object 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 her/his ordinary residence. In fact, the report of the Joint Committee was considered while incorporating this language under Section 62 of the Copyright Act. The committee had stated that many authors are deterred from instituting infringement proceedings because the court in which such proceedings are to be instituted is situated at a considerable distance from the place of ordinary residence. Keeping this in mind, the committee wanted to remove the impediment and accordingly recommended a substituted Clause (2) to Section 62 of The Copyright Act. In the parliamentary debates, the members took into consideration the fact that a poor author who has come out with a creation should not be made to run all over the country to fight the infringer, and it is the infringer who must be shown a deterrent when he knows that he may have to go a few hundred miles off to a High Court, within



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whose jurisdiction the author lives or where the book or other creation got published. That is the reason why we are able to see Section 62(2) of the Copyright Act in its present form.

11. Later, the same language was incorporated in Section 134(2) of the Act. Therefore, the purport of these two provisions with regard to the territorial jurisdiction of this Court is the same. Even though submissions were made on either side touching upon the tenability of the claim made for copyright infringement on the basis of the artistic work of the label mark, there is no requirement for this Court to go into this issue while considering the present application, since, the application only questions the territorial jurisdiction of this Court and for determining the same, there is no difference in the language that has been employed under Section 134(2) of the Act and Section 62(2) of The Copyright Act, 1957.

12. The territorial jurisdiction for normal suits is determined based on Section 20 of the Code of Civil Procedure, 1908 (hereinafter referred to as “CPC”). The said provision recognises territorial jurisdiction of the Courts *inter alia* where the cause of



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action, wholly or in part, arises. Section 129, CPC makes it very clear that High Courts can make their own rules as to their original civil procedure and that the same will govern the Original Side notwithstanding anything contained in CPC. By virtue of this provision, Sections 16, 17 and 20, CPC stand excluded insofar as this Court is concerned. The civil jurisdiction of this chartered High Court is governed by Clause 12 of the Letters Patent.

14. In a suit instituted for Trademark and Copyright infringement, the territorial jurisdiction is determined only based on the privilege given to the plaintiff under Section 134(2) of the Act and Section 62(2) of the Copyright Act. In other words, the requirement of Section 20, CPC, is not applicable to these suits. The impediment imposed to a plaintiff under Section 20, CPC to institute a suit in a court where the defendant **resides or carries on business** or where the cause of action wholly or in-part arises, has been removed. Similarly, the scope of these provisions cannot be curtailed by reference to Clause 12 of Letters Patent also. The leave contemplated under Clause 12 of the Letters patent need not be sought for if the plaintiff is able to bring his/her case within the



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scope of Section 134(2) of the Act or Section 62(2) of The Copyright Act. The law on this is well-settled, and this Court does not want to burden this order by citing and extracting all the relevant judgments. Having held so, this Court will now set-forth to decide the issue that has been raked up in the present case.

15. The learned counsel appearing on behalf of the applicant mainly relied upon the Hon'ble Supreme Court's judgement in ***Indian Performance Rights Society v. Sanjay Dalia*** reported in ***(2015) 10 SCC 161*** (hereinafter referred to as "***Sanjay Dalia case***"). The learned counsel appearing on behalf of the respondent mainly placed reliance upon the judgment of this Court in ***Hindustan Unilever Ltd. v. Andhra detergents*** reported in ***2017-2-LW 507*** (hereinafter referred as "***Hindustan Unilever case***"). The learned counsel submitted that the judgment of the Hon'ble Supreme Court in ***Sanjay Dalia case*** was considered in the ***Hindustan Unilever case***, and this Court held that even a branch office of the plaintiff would give a cause of action to maintain a suit before this Court. Therefore, according to the learned counsel for the respondent, the issue having already been settled by this



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Court, is no longer *res integra*.

16. It is important to take note of the judgment of the Division Bench of this Court in ***Wipro Ltd. & Anr. v Oushadha Chandrika Ayurvedic India (P) Ltd. & Ors.*** reported in (2008) 3 CTC 724 (hereinafter referred to as ***Wipro case***), where this very same issue was taken up for consideration. The Division Bench held that the term “**carries on business**” is not confined only to the principal place of business, but it will also include any place where there is a business activity, be it branch or branches. For proper appreciation, the relevant finding is extracted hereunder:

11. While it is the contention of the plaintiffs that they can institute a Suit either in a Court within whose local limits the principal place of business or its branch or branches where its business is carried on, is situate, the defendants submitted that it is the principal place of business that is material. According to the defendants, it is the only reasonable interpretation of Section 62(2) of the Copyright Act and Section 134(2) of the Trade Marks Act, and therefore, as the head office of the plaintiffs is at Bangalore, Courts in Bangalore alone will have jurisdiction. Section 62(1) of the Copyright Act stipulates the forum for institution of infringement proceedings, etc., to be the District



Court. Section 62(2) of the Copyright Act provides that the term "District Court having jurisdiction", notwithstanding anything contained in the C.P.C. or any other law for the time being in force, would include a District Court within the local limits of whose jurisdiction, the person, or one of the persons, instituting the suit actually or voluntarily resides or carries on business or personal works for gain. By inserting Section 134(2) of the Trade Marks Act, the legislature has brought the Trade Marks law in line with the provisions contained in the Copyright Act, as very often a trade mark is also registered as an artistic work under the Copyright Act. In Section 62(2) of the Copyright Act as well as in Section 134(2) of the Trade Marks Act, a deliberate departure is made from Section 20 of the C.P.C to enable the plaintiff to sue one who infringed his copyright in the Court within whose local limit he carried on business at the time of the institution of the suit or other proceedings. If the contrast as between two expressions namely, "actually and voluntarily resides" and "carries on business" is correctly perceived, it would reveal that while there is limitation, regarding residence, there is no such restriction with reference to "carrying on business". This is a clear indication that the term "carries on business" is not confined to only principal place of business. If the legislature intended to mean the principal place only, it would have suitably qualified the expression "carries on business". The plain meaning of the above expression will only convey that



wherever there is a business activity — be it the principal place or branch or branches — the party is said to carry on business in all such places.

17. If the interpretation given by the Division Bench had held the field till now, there would have been no option for a single judge to differ from the same, and in fact, the commercial division will be bound by the dictum of the Division Bench.

18. The reason why this Court proceeds to deal with the issue in spite of the judgment of the Division Bench is by virtue of the subsequent judgment of the Hon'ble Supreme Court in the ***Sanjay Dalia case*** referred *supra*. This issue was taken up for consideration by the Hon'ble Supreme Court in a case where the head office of the plaintiff was situated in Mumbai and the alleged infringement had taken place in Mumbai and in spite of the same, the suit was instituted before the Delhi High Court based on the situs of a branch office at Delhi. The justification given by the plaintiff therein for laying the suit before the Delhi High Court was the language employed in Section 62(2) of the Copyright Act and Section 134(2) of the Act. The Hon'ble Supreme Court made a



detailed discussion on the scope of the provisions and ultimately

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“18. On a due and anxious consideration of the provisions contained in Section 20 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). The plaintiff(s) can also institute a suit at a place where he is residing, carrying on business or personally works for gain dehors 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 the 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, the 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 the 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 CPC as well. The interpretation of provisions has to be such which



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prevents the mischief of causing inconvenience to the 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 CPC 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



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provisions so enacted.

20. In our opinion, in a case where the cause of action has arisen at a place where the plaintiff is residing or where there are more than one such persons, any of them actually or voluntarily resides or carries on business or personally works for gain would oust the jurisdiction of other place where the cause of action has not arisen though at such a place, by virtue of having subordinate office, the plaintiff instituting a suit or other proceedings might be carrying on business or personally works for gain.

21. At the same time, the provisions of Section 62 of the Copyright Act and Section 134 of the Trade Marks Act have removed the embargo of suing at place of accrual of cause of action wholly or in part, with regard to a place where the plaintiff or any of them ordinarily resides, carries on business or personally works for gain. We agree to the aforesaid extent that the impediment imposed under Section 20 CPC to a plaintiff to institute a suit in a court where the defendant resides or carries on business or where the cause of action wholly or in part arises, has been removed. But the right is subject to the rider in case the plaintiff resides or has its principal place of business/carries on business or personally works for gain at a place where cause of action has also arisen, suit should be filed at that place not at other places where the plaintiff is having branch offices, etc.”



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19. The Hon'ble Supreme Court, while considering the scope of Section 62 of the Copyright Act and Section 134 of the Act, also dealt with the scope of Section 20, CPC. The Hon'ble Supreme Court was conscious of the fact that the impediment created by Section 20, CPC was removed by virtue of the provisions under the Act and The Copyright Act. This was reiterated right through the judgment in more than one place. The Hon'ble Supreme Court placed reliance upon Section 20, CPC, only to juxtapose this provision with the provisions under the Copyright Act and the Act, and try and find a meaning for the term ***“actually carries on business”*** and whether this term also takes within its fold, a branch office. Paragraph 21 of the judgment mentioned *supra*, in no uncertain terms, holds that a suit cannot be filed only on the pretext that there is a branch office. The Hon'ble Supreme Court was extremely concerned that Section 134(2) of the Act and Section 62(2) of the Copyright Act may be misused by big corporations having branch offices at every nook and corner of the country and if they are allowed to institute a suit only based on the location of a branch office, it is always possible for them to drive small-time players to a far-flung place. The Hon'ble Supreme



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Court did not want these provisions to be construed in such manner, since the same would pave way for oppression against the defendant. The Hon'ble Supreme Court, therefore, wanted to remove the hardship, inconvenience, injustice, absurdity and anomaly in interpreting the provisions, and adopted a purposive interpretation to strike a balance. The Hon'ble Supreme Court felt that where the natural meaning of these provisions lead to mischievous consequences, it must be avoided by giving a permissible construction of the provisions through purposive interpretation.

20. The Hon'ble Supreme Court took note of a provision in the Consumer Protection Act, and its interpretation in ***Sonic Surgical v. National Insurance Co. Ltd.*** reported in ***(2010) 1 SCC 135***. It will be relevant to take note of paragraph 36 of the ***Sanjay Dalia case***, where a specific reference was made to this judgment and the same is extracted hereunder:

36. This Court in Sonic Surgical v. National Insurance Co. Ltd. [Sonic Surgical v. National Insurance Co. Ltd., (2010) 1 SCC 135 : (2010) 1 SCC (Civ) 28] has also laid down the law to the same effect



and has discussed the term "branch office" used in Section 17(2) of the Consumer Protection Act, 1986 in the context of cause of action. Section 17(2) of the said Act reads thus:

17. (2) A complaint shall be instituted in a State Commission within the limits of whose jurisdiction—

(a) the opposite party or each of the opposite parties, where there are more than one, at the time of the institution of the complaint, actually and voluntarily resides or carries on business or has a branch office or personally works for gain; or

(b) any of the opposite parties, where there are more than one, at the time of the institution of the complaint, actually and voluntarily resides, or carries on business or has a branch office or personally works for gain, provided that in such case either the permission of the State Commission is given or the opposite parties who do not reside or carry on business or have a branch office or personally works for gain, as the case may be, acquiesce in such institution; or

(c) the cause of action, wholly or in part, arises."

This Court while interpreting the provision held that the term "branch office" as used in the amended Section 17(2)(b) has to be interpreted to mean only that branch office where the cause of action has arisen. Thus, the court departed from the plain and literal meaning of the words of Section 17(2)(b) of the Consumer Protection Act in order to avoid absurdity.



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The decision in Sonic Surgical [Sonic Surgical v. National Insurance Co. Ltd., (2010) 1 SCC 135 : (2010) 1 SCC (Civ) 28] has been approved by this Court in State of M.P. v. Narmada Bachao Andolan [(2011) 7 SCC 639 : (2011) 3 SCC (Civ) 875] inasmuch as this Court has observed that in case the natural meaning leads to mischievous consequences, it must be avoided by accepting other permissible construction.

21. Ultimately, the Hon'ble Supreme Court held that if the plaintiff wants to determine the jurisdiction based on the branch office, some cause of action should have arisen within the place where the branch office is situated. To give such a purposive interpretation, the Hon'ble Supreme Court took cue from Section 20, CPC. It is very clear from the judgment that the Hon'ble Supreme Court was not interpreting Section 134(2) of the Act and 62(2) of the Copyright Act qua Section 20, CPC. The Hon'ble Supreme Court was trying to find a solution in cases where the plaintiff only places reliance upon the branch office and nothing more. In such cases, the Hon'ble Supreme Court, by purposive interpretation held that there must be at least a part of the cause of action that should have arisen in the place where the branch office is situated.



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22. The learned counsel for the respondent placed reliance upon the judgment of this Court in the ***Hindustan Unilever case*** referred *supra*. The relevant portions relied upon by the learned counsel for the respondent are extracted hereunder:

“21. Much reliance has been made by both sides on the decision of the Apex Court in Indian Performing Rights Society Limited v. Sanjay Dalia and another (2016-1-L.W. 1 = (2015) 10 Supreme Court Cases 161). In the said judgment, the issue was one of jurisdiction qua Section 134(2) of the Trade Marks Act, 1999 Section 62 of the Copyright Act on the one hand and Section 20 of the Code of Civil Procedure on the other hand. The Apex Court was called upon to decide on a case where a defendant was dragged to a far off place on the sole premise that the plaintiff was having a branch office though no cause of action arisen therein. Thus, the said decision has to be seen in the context of forum convenience and the object behind Section 20 of the Code of Civil Procedure. The question as to whether the plaintiff can choose a branch office when a cause of action is available at the principal office was also dealt with. The following paragraphs of the judgment of the Apex Court would be fruitful.

“14 Considering the very language of section 62 of the Copyright Act and section 134 of the Trade Marks Act, an additional forum has been provided by including a District Court within whose limits the plaintiff actually



and voluntarily resides or carries on business or personally works for gain. The object of the provisions was to enable the plaintiff to institute a suit at a place where he or they resided or carried on business, not to enable them to drag defendant further away from such a place also as is being done in the instant cases....

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.

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22. There is no doubt about it that the words used in section 62 of the Copyright Act and section 134 of the Trade Marks Act, 'notwithstanding anything contained in CPC or any other law for the time being in force', emphasise that the requirement of section 20 of the



CPC would not have to be complied with by the plaintiff if he resides or carries on business in the local limits of the court where he has filed the suit but, in our view, at the same time, as the provision providing for an additional forum, cannot be interpreted in the manner that it has authorised the plaintiff to institute a suit at a different place other than the place where he is ordinarily residing or having principal office and incidentally where the cause of action wholly or in part has also arisen. The impugned judgments, in our considered view, do not take away the additional forum and fundamental basis of conferring the right and advantage to the authors of the Copyright Act and the Trade Marks Act provided under the aforesaid provisions."

Thus, the decision of the Apex Court has to be understood in its own context.

23. The learned single judge of this Court has construed the judgment of the Hon'ble Supreme Court as if Section 134 of the Act and Section 62 of the Copyright Act were interpreted in the light of Section 20, CPC. The learned judge has also held that the said decision of the Hon'ble Supreme Court had seen the provisions in the context of *forum conveniens*. With very great respect to the learned single judge, I am constrained to differ. The



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judgment of the Hon'ble Supreme Court did not interpret Section 134 of the Act and Section 62 of the Copyright Act qua Section 20, CPC. The principle of *forum conveniens* was not even considered in the above judgment of the Hon'ble Supreme Court. At the risk of repetition, Section 20, CPC was referred only to find out a solution under what circumstances a suit can be laid for trademark and copyright infringement if the situs to determine jurisdiction is only a branch office. By giving a purposive interpretation, the Hon'ble Supreme Court held that in such cases, there must be at least a part of the cause of action that should have arisen in the place where the branch office is situated.

24. The learned single judge has also placed reliance upon the judgment of the Division Bench in ***Wipro case*** referred *supra* at paragraph 20 of the judgment. With respect, the ratio of the Division Bench judgment no longer holds the field after the judgment of the Hon'ble Supreme Court in the ***Sanjay Dalia case***. The law as it stands is governed by the judgment by the Hon'ble Supreme Court in the ***Sanjay Dalia case*** referred *supra*, and if a suit is filed only based on the situs of the branch office, such a suit



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can be maintained only if the plaintiff is able to show that at least a part of the cause of action had arisen within the place where the branch office is situated. If suits are allowed to be filed only based on the branch office and nothing more, it will lead to mischievous consequences. The same can be illustrated with a hypothetical situation. Let us assume that the plaintiff has a branch office in Ladakh instead of Chennai. Apart from the location of this branch office, if no infringement whatsoever had taken place at Ladakh, can it be justified to lay a suit in the High Court of Jammu & Kashmir and Ladakh against the defendant who has his place of business in Gudiyatham? This is the type of absurdity that can arise if the branch office *per se* determines the jurisdiction. This absurdity was addressed by the Hon'ble Supreme Court, and a solution was given to a plaintiff who wanted to file a suit based on his branch office and such a plaintiff was told that at least a part of the cause of action should have arisen in the place where the branch office is situated.

25. This dictum of the Hon'ble Supreme Court was taken into consideration by the Division Bench of this Court in



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Hindustan Unilever Limited Ponds House v. S. Shanthi reported in **2021 SCC OnLine Mad 5428** (hereinafter referred to as ***Shanthi case***). The Division Bench upheld an order of the commercial division returning the plaint on the ground that the suit cannot proceed further only on the ground that the branch office was situated within the jurisdiction of this Court. For proper appreciation, the relevant portion in the judgment is extracted hereunder:

110. It is, thus, that the merits of the matters need to be assessed, particularly as to whether there is any scope for interfering with the relevant orders impugned herein providing for the return of the plaints. In OSA (CAD) No. 1 of 2021, the order impugned dated April 27, 2021 is assailed, primarily, on the ground that since a part of the cause of action had arisen within the ordinary original jurisdiction of this court, the plaintiffs were entitled to initiate the action herein. The suit was filed in this court for infringement of trademark and passing-off on the basis of the branch office of the plaintiff firm and the sale of the infringing product within the territorial limits of this court. The judgment referred to the case made out in the plaint and the grounds asserted by the defendants in seeking to demonstrate that the subject-matter of the suit had no nexus with this court, before concluding that the "sporadic presence of



the goods within the jurisdiction of this Court ... not sufficient to confer jurisdiction upon this court if the 'connecting factor principle' is applied."

111. The court noticed that four out of the five plaintiffs resided at Mallur in Namakkal District and the fifth plaintiff also had its registered office at Mallur. The first defendant had its registered office in Salem and the second defendant also resided in Salem. According to the trial court, the products of both the plaintiffs and the defendants were manufactured outside the jurisdiction of this court and the marketing of such products, which, according to the trial court, was a chain of events, also commenced outside the jurisdiction of this court.

112. What appears to have weighed with the trial court in this case is that the branch office of one of the plaintiffs was shown to have been within jurisdiction for the purpose of attracting Section 134 of the Trade Marks Act, 1999, though it was a residential house. What also appears to have counted with the trial court was that some stray sales of the alleged infringing product was shown to have taken place within jurisdiction almost in a manner of a trap sale or a stage-managed sale, where a friendly shop-owner is arranged by the plaintiffs to show the sale of the alleged infringing product from a shop within jurisdiction to create jurisdiction.



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113. *The impugned judgment refers to the view expressed by the Supreme Court on Section 134 of the Act of 1999 in the judgment reported at (2015) 10 SCC 161 (Indian Performing Rights Society Limited v. Sanjay Daiia). The Supreme Court noticed the word "include" in Section 134(2) of the Act of 1999 and held that under Section 134 of the Act of 1999, the place where the plaintiff resides or carries on business would be an additional place and not an exclusive place to institute a trade mark infringement action. The Supreme Court proceeded to observe that if the cause of action, wholly or in part arises at the principal or ordinary place where the plaintiff resides or carries on business or works for gain or, in case of a corporation, where its principal office or head office or registered office is situate, a trade mark infringement action can be filed only at such place and not at other places where the corporation had a branch or subordinate office or, in case of an individual, he had an alternative place of residence. What is evident from the impugned judgment is that it found that Chennai was not the natural forum for the action and plaintiff had gone out of its way to create an illusion of this court having jurisdiction.*

114. *A judgment relied upon by the defendants, in such connection, supports the course of action chosen by the trial court in not permitting the suit to be pursued in this court. In the judgment reported at (2012) 8 SCC 706 (Church of Christ Charitable Trust*



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and Educational Charitable Society v. Ponniamman Educational Trust), while discussing what amounts to cause of action, the Supreme Court observed that the cause of action must include some act done by the defendant since, in the absence of such an act, no cause of action can possibly accrue. It is such observation, found in the last sentence of paragraph 13 of the report that the defendants commend to this court:

“13. While scrutinising the plaint averments, it is the bounden duty of the trial court to ascertain the materials for cause of action. The cause of action is a bundle of facts which taken with the law applicable to them gives the plaintiff the right to relief against the defendant. Every fact which is necessary for the plaintiff to prove to enable him to get a decree should be set out in clear terms. It is worthwhile to find out the meaning of the words “cause of action”. A cause of action must include some act done by the defendant since in the absence of such an act no cause of action can possibly accrue.”

115. On a reading of the plaint, it does not appear that the subject-matter of the suit has any real connection with Chennai. In fact, the residential premises within jurisdiction, which is shown to be the branch office of one of the plaintiffs, began with its first purported transaction and the document in such regard has been relied upon to try and suggest that a



part of the cause of action had arisen within jurisdiction. On the basis of what is evident on a meaningful reading of the plaint, it would be clear that the transactions relied upon for the purpose of demonstrating that a part of the cause of action had arisen within were all contrived and tailor-made only to invoke the territorial jurisdiction of this court to, possibly, harass the defendants. The order impugned returning the plaint for it to be filed before the appropriate court in Namakkal or Salem does not call for any interference.

26. Even though I have differed with the findings of the learned single judge in ***Hindustan Unilever case***, there is no need for referring the issue to a division bench since, the judgement of the Hon'ble Supreme Court in ***Sanjay Dalia case*** was taken note of by the later division bench in ***Shanthi case*** and the law was reiterated and made clear that situs of the branch office per se will not confer territorial jurisdiction.

27. The related issue concerns the principle of *forum conveniens*. Even in the judgment that was cited by the learned counsel for respondent in the ***Hindustan Unilever case*** referred *supra*, the learned single judge has categorically held that the concept of *forum conveniens*



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will apply in a case where the plaintiff chooses a different place just to drag the defendant to a far-flung place. For proper appreciation, paragraph 25 is extracted hereunder:

“25. The above said reasoning in so far as the exercise of Section 134(2) of the Trade marks Act, 1999 appears to be legally correct and sound. Thus, in the light of the above said decisions having been analysed, this Court is of the view that the question as to whether the plaintiff of having a head office in one place and the branch office in another, is irrelevant for the purpose of instituting the suit by invoking Section 134 to of The Trade marks Act, 1999 , as both these places will have to be treated alike when there is no cause of action is available. However, the concept of forum conveniens would apply in a case where the plaintiff chooses the place just to drag the defendant to a far off place. Accordingly, this Court holds that the suit is maintainable before this Court. Admittedly, the Mumbai High Court is far off to the defendant than this Court.”

28. Insofar as the principle of *forum conveniens* is concerned, the full bench of this Court has gone into the issue in ***Duro Flex (P) Ltd. v. Duroflex Seatings System*** reported in **2014 6 CTC 577**. The relevant portions in the judgment are extracted hereunder:



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“55. We may add that a Division Bench of this Court comprising two of us (S.K.K., C.J. and M.S.N., J.) had an occasion to examine the applicability of the Principles of Forum Conveniens in a case of Writ proceedings in Bharat Bhogilal Patel v. Union of India, 2014 (6) CTC 285 (DB) : 2014 (7) MLJ 641. In the context of that judgment, we referred to the decision of a Five-Judges Bench of the Delhi High Court in Sterling Agro Industries Ltd. v. Union of India, AIR 2011 Del. 74, which had gone into the Doctrine of Forum Conveniens vis-a-vis the Concept of Cause of Action. In the context of that judgment, it was observed in Sterling Agro Industries Ltd. case (supra) as under:

“The Concept of forum conveniens fundamentally means that it is obligatory on the part of the Court to see the convenience of all the parties before it. The convenience in its ambit and sweep would include the existence of more appropriate forum, expenses involved, the law relating to the lis, verification of certain facts which are necessitous for just adjudication of the controversy and such other ancillary aspects. The balance of convenience is also to be taken note of. The Principle of Forum Conveniens in its ambit and sweep encapsulates the concept that a cause of action arising within the jurisdiction of the Court would not itself constitute Court to entertain the matter. While exercising jurisdiction under Articles 226 & 227 of the



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Constitution of India, the Court cannot be totally oblivious of the Concept of Forum Conveniens.”

The conclusion thus arrived at was that the Principles of Forum Conveniens, though applicable to the International law as a principle of Comity of Nations, would apply to the discretionary remedy under Article 226 of the Constitution of India.

56. In yet another decision in Fathima Bathool v. M.M. Zulaiha, 2014 (6) CTC 241 (DB), a Division Bench of this Court comprising two of us (S.K.K., C.J. and M.S.N., J.) had occasion to consider an identical issue. In the aforesaid case, the leave to sue was revoked on the basis that a major portion of the Suit properties was situated outside the jurisdiction of the High Court. Applying the Principles of Forum Conveniens, it was held that since the parties/witnesses who had knowledge with regard to certain transactions alleged in the Plaint would have to be examined and who were also ordinarily residing in Tuticorin, the suit should be instituted in the Court having local jurisdiction.

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



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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).

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

29. It will also be relevant to take note of the judgment in ***A.S. Hameed v. P. Maharajan*** reported in (2019) 3 MLJ 52. The relevant portions are extracted hereunder:

“(w) In Sanjay Dalia’s case, the Honourable Supreme Court, while explaining the purport of Section 134 of The Trade Marks Act, 1999 held that a plaintiff, who is carrying on business or residing within the territorial jurisdiction of a particular Court, can institute a trademark infringement suit there notwithstanding the fact that defendant is not within the territorial jurisdiction of that Court, but, it does not create an additional jurisdiction for a plaintiff, who does not primarily reside or carry on business within a particular Court to file a suit merely with the intention of



harassing the defendant. This aspect of the matter has been articulated and elucidatively laid down by the Honourable Supreme Court in Sanjay Dalia's case in paragraph No.18 and it reads as follows:

“18. On a due and anxious consideration of the provisions contained in Section 20 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). The plaintiff(s) can also institute a suit at a place where he is residing, carrying on business or personally works for gain dehors 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 the 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, the 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 the Trade Marks Act is the convenience of the plaintiff. The rule of convenience of the parties has been given a statutory expression in <http://www.judis.nic.in>



Section 20 CPC as well. The interpretation of provisions has to such which prevents the mischief of causing inconvenience to the parties. "

10. In the light of all that have been set out supra and in the light of the narrative thus far, particularly, dispositive reasoning alluded to supra, this Commercial Division has no hesitation in holding that the leave granted to institute the instant suit deserves to be revoked. In other words, the suit i.e, C.S. No. 489 of 2012 ought not to have been filed in this Court. This Court cannot entertain the instant suit, C.S.No. 489 of 2012 as both parties to the lis neither reside nor carry on business within the territorial jurisdiction of this Court and no part of cause of action, not even an infinitesimally small part of cause of action, has arisen within the territorial jurisdiction of this Court."

30. It is clear from the above judgments that the principle of *forum conveniens* will not *per se* apply to civil proceedings. However, it will have a role to play when the court decides the appropriateness or suitability of the forum, and if the court ultimately finds that the cause of action had not even remotely arisen within the territorial jurisdiction of this Court, then the court should not entertain such a suit. This exercise will normally be undertaken when this Court considers grant of leave or revocation of leave under Clause 12 of the Letters Patent. In the present case, the plaintiff had not even sought such a relief. Probably, the plaintiff knew that the cause of action did not even



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remotely arise within the jurisdiction of this Court and the entire suit was filed relying upon the situs of the branch office. This Court need not go into the applicability of the principle of *forum conveniens* in the present case since, this Court finds that it is not vested with the territorial jurisdiction to entertain the suit solely based on the situs of the branch office of the respondent. The issue taken up in this application is answered accordingly.

31. In the result, this application is allowed, and this Court holds that this Commercial Division does not have territorial jurisdiction to proceed further with the present suit. Accordingly, the plaint shall be returned to the respondent/ plaintiff to be presented before the appropriate Court having jurisdiction to try the suit. On the facts of the present case, there shall be a direction to the respondent/plaintiff to pay costs of a sum of Rs.50,000/- [Rupees fifty thousand only] to the applicant/defendant within a period of four weeks from the date of this Order.

22.11.2021

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Internet: Yes

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N. ANAND VENKATESH.,J.

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Pre-Delivery Order

Application No.3675 of 2021

in C.S.(Comm.Div.) No.14 of 2021

(Reserved on 18.11.2021)

22.11.2021