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O.S.A.(CAD) No.122 of



THE HIGH COURT OF JUDICATURE AT MADRAS

Reserved on : 08.07.2022

Pronounced on : 15.07.2022

CORAM

THE HONOURABLE Mr. JUSTICE M.DURAI SWAMY

AND

THE HONOURABLE Mr. JUSTICE SUNDER MOHAN

O.S.A.(CAD) No.122 of 2021
and C.M.P.No.19646 of 2021

M/s. Simpson & Company Limited,
861 / 862, Anna Salai,
Chennai – 600 002
Represented by its Wholetime Director
Mr.P.S.Rajamani

...Appellant

Vs.

Shri Rhythm Agarwal
Trading as
Radisson Paints,
Plot No.1-2, Near Bihariji Petrol Pump,
Nandlalpur, Hathras Road,
Agra 282006,
Uttar Pradesh.

...Respondent

PRAYER: Original Side Appeal filed under Section 13(1) of the Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Act 2015 and read with Clause 15 of Letters Patent read with Order XXXVI Rule 1 of OS Rules, to set aside the Judgment and Order dated 21st



October 2021 made in A.No.3185 of 2021 in C.S.No.162 of 2019 and restore the Suit.

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For Appellant : Mr.Arun C.Mohan
For Respondent : Mr.Rahul Jain

J U D G E M E N T

SUNDER MOHAN,J

Aggrieved by the Judgement dated 21.10.2021 made in C.S.No.162 of 2019, the Appellant has preferred the above appeal.

2. The Appellant/Plaintiff had filed a suit before this Court against the Respondent/Defendant herein praying for a permanent injunction against the respondent from using the trademark “Radisson” and for a permanent injunction restraining the respondent from committing acts of passing off while dealing in paints bearing deceptively similar marks “Radisson” and for consequential reliefs. In the said suit, the Appellant filed an application in A.No.1661 of 2019 for combining the causes of action arising out of infringement of trademark and action of passing off. The learned Single Judge of this Court allowed the said application as the respondent had no objection



for combining the causes of action. Thereafter, the respondent filed an application to grant him leave to serve interrogatories on the Appellant in A.No.1611 of 2021. The said application was closed by this Court by order dated 14.07.2021. The suit was posted for trial and the Appellant had examined their witness and marked 14 documents on their side. The respondent cross examined the Appellant's witness and the suit was posted for final arguments of the parties. At that stage, the respondent filed an application in A.No.3185 of 2021 under Order VII Rule 10 of C.P.C praying for return of the plaint to the Court of competent jurisdiction, stating that the suit filed by the Appellant was not maintainable before this Court for want of jurisdiction as the Appellant had suppressed relevant material facts in the plaint.

3.The respondent's case is that the Appellant had been operating business through its Branch office situated at B-136, Gate No.1, Prakash Industrial Estate, G.T.Road, Sahibabad, near Gyani Border, Ghaziabad, Uttar Pradesh – 201 005 and that the respondent is also carrying on business in the State of Uttar Pradesh at a “similar place” where the Appellant have their Branch office. Thus, their case is that since they are doing business mainly at Agra and the Appellant also have a place of business in Uttar Pradesh, the suit



should have been filed only before the competent Court at Uttar Pradesh and prayed for return of plaint to the Court of competent jurisdiction, namely, Allahabad High Court.

4. The Appellant herein filed a counter objecting to the Application filed by the respondent. Their case is that:

(a) The petition is not maintainable since as per Order XLIX Rule 3 of C.P.C, the provision of Order VII Rule 10 is not applicable to the Chartered High Courts.

(b) The respondent had agreed for combining the causes of action and having submitted to the jurisdiction of this Court, cannot now turn around and file the application for returning the plaint.

(c) In an application to serve interrogatories on the Appellant, the Appellant raised objections stating that the respondent herein intended to object to the jurisdiction of this Court. The learned Single Judge of this Court by order dated 14.07.2021 closed the said application and held specifically that this Court had jurisdiction to decide the subject suit.

(d) This application has been filed at a belated stage at the time of



arguments and also when the Respondent had forfeited his right to file Written Statement.

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(e) The suit filed by the Appellant before this Court was maintainable in view of the Section 134(2) of the Trade Marks Act 1999.

5. The learned Single Judge, after hearing the parties, held that an application under Order VII Rule 10 was maintainable in view of the judgement of this Court made in ***R.P. O'Connor vs. P.G.Sampath Kumar*** reported in ***AIR 1953 Madras 897***, wherein, this Court held that notwithstanding the embargo under Order XLIX Rule (3) of C.P.C., this Court can exercise inherent powers to return the plaint to the proper Court. The learned Single Judge held that Section 134(2) of Trade Marks Act only provides for additional Jurisdiction to the Court where the plaintiff carries on his business. The learned Single Judge further held that the place of plaintiff *per se* will not confer jurisdiction and it must also be the place where whole or part of the cause of action arose. Having held so, the learned Single Judge observed that the Appellant ought to have obtained leave of the Court under Clause 12 of Letters Patent since the cause of action had not arisen wholly within the territorial limits of this Court. The learned Single Judge after



holding that leave was mandatory before filing of the suit and that leave cannot be granted at a subsequent stage of the trial, dismissed the suit as the Appellant had not obtained leave under Clause 12 of the Letters Patent to file the suit.

6. Aggrieved by the said judgement, the Appellant has preferred the above appeal.

7. Heard Mr.Arun C.Mohan, learned counsel for the Appellant and Mr.Rajesh Jain, learned counsel for the respondent.

8. Mr.Arun.C.Mohan, learned counsel for the Appellant submitted that Section 134(2) of the Trade Marks Act is in addition to the law relating to jurisdiction under the Code of Civil Procedure. There is no requirement to obtain leave under Clause 12 of the Letters Patent, if the plaintiff is able to show that its principal place of business was situated within the jurisdiction of this Court. The same learned Single Judge having held in an earlier application that this Court had jurisdiction to decide the suit, held that leave to sue under Clause 12 of Letters Patent was mandatory. He would further submit that the finding of the learned Single Judge that the application filed under Clause 12



of the Letters Patent was necessary to institute the suit was held to be *per incurium* by another learned Single Judge of this Court in an order passed in O.A.Nos.382, 383 and 384 of 2021 in C.S.No.10 of 2021 dated 10.12.2021.

The learned counsel also relied upon a judgement of the Division Bench of this Court reported in **2008 SCC Online Mad 172 (Wipro Limited & another vs. Oushadha Chandrika Ayurvedic India (P) Limited and another)** wherein, this Court had held that in a suit filed for infringement of Trade Mark by invoking Section 134 (2) of Trade Marks Act, the question of plaintiff taking prior leave under Clause 12 of the Letters Patent does not arise and the plaintiff need not take leave of the Court. He further submitted that the Branch office at Ghaziabad, Uttar Pradesh was not situated in the same place where the cause of action had arisen and hence, the suit was maintainable before this Court, since the principal place of business was situated within the jurisdiction of this Court. The learned counsel also submitted that in any event the suit ought not to have been dismissed.

9. Mr.Rajesh Jain, learned counsel for the respondent would submit that admittedly the Appellant was having a branch office at Ghaziabad District in the State of Uttar Pradesh and the defendant's place of business was in Agra,



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which is also within the State of Uttar Pradesh. The learned counsel would therefore, contend that since the place of business of the plaintiff and the cause of action had arisen within the State of Uttar Pradesh, only the Courts of Uttar Pradesh will have jurisdiction to try the suit. The learned counsel in support of his contention, relied upon the judgement of the Hon'ble Supreme Court reported in **(2015) 10 SCC 161 (Indian Performing Rights Society Limited vs Sanjay Dalia and another)** wherein it was held that if the plaintiff is carrying on business at a place where the cause of action has arisen, he can only file the suit at that place and not in any other place where he may be carrying on business. The learned counsel also relied upon a judgement of the Delhi High Court reported in **227(2016) DLT 320 : 2016 (65)PTC 469 (Del) (Ultra Home Construction Pvt.Ltd. vs. Purushottam Kumar Chaubey and Ors.)** According to the learned counsel, no prejudice is caused to the Appellant as the learned Single Judge has given liberty to them to file the suit before the appropriate Court. Thus, according to him, since the plaintiff has a branch office in one District of Uttar Pradesh and cause of action had arisen in another District in Uttar Pradesh, the plaintiff ought to have filed the suit only in Uttar Pradesh Courts and prayed for return of plaint to be transferred to Allahabad High Court.

10.We have given our anxious consideration to the rival submissions



and to the pleadings on record. We find that Section 134 (2) of Trade Marks Act is in addition to the law relating to the jurisdiction under the Civil Procedure Code. The plaintiff's place of business confers jurisdiction on the Court irrespective of whether the cause of action had arisen wholly or partly in the said place. The existence of cause of action or part thereof, is not a *sine qua non* and has no relevance when a suit is filed by invoking the jurisdiction of any Court which is conferred by virtue of Section 134(2) of the Trade Marks Act.

(a) A Division Bench of this Court in the judgement reported in **2008 SCC Online Mad 172 (Wipro Limited & another vs. Oushadha Chandrika Ayurvedic India (P) Limited and another)** held as follows:

“

14.....Therefore, in a case of infringement of trade mark or copy right covered by Section 134 (2) of the Trade Marks Act or Section 62 (2) of the Copyright Act, the question of plaintiff taking prior leave under Clause 12 of the Letters Patent does not arise and the plaintiff need not take leave of the Court under Clause 12 of the Letters Patent even if only a part of the cause of action or no part of the cause of action arose within the jurisdiction of this Court, if the plaintiff ordinarily resides or carries on business within the jurisdiction of the Court.”

(b) In the case of **M/S. Duro Flex Pvt. Limited vs M/S. Duroflex**



Sittings System 150 reported in ***AIR 2015 Mad 30***, the Full Bench of this

Court held as follows:

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“53. In paragraph 31 aforesaid, three situations have been set out which arise for grant of leave arising out of a trademark infringement. In two eventualities, the question of obtaining prior leave would not arise, i.e., when the plaintiff resides within the jurisdiction of the Court, benefit conferred by Section 134(2) of the Trade and Merchandise Marks Act, 1958 and when the defendant resides within the jurisdiction of the Court. It is in the third eventuality which is material for the controversy. On the plea of the Appellant that the situs of the Trademark Registry within the jurisdiction of the Court would give a part a 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.”

The Hon'ble Full Bench of this Court clearly held that the question of prior leave would not arise, if the plaintiff resides or has its place of business within the jurisdiction of this Court.



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(c) The Hon'ble Supreme Court in the case of ***Indian Performing Rights Society Limited vs. Sanjay Dalia and another*** reported in (2015) 10 SCC 161 had an occasion to consider the scope of Section 134(2) of the Trademarks Act. The Hon'ble Supreme Court held that the jurisdiction conferred on the Court under Section 134 of Trademarks Act, is in addition to the provisions of Section 20 C.P.C thereby, making it clear that the plaintiff can file a suit either in the place where he resides or carries on business, whether or not cause of action had not arisen within that place. The relevant observations of Hon'ble Supreme Court are as follows:

“18.....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 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



the Trade Marks Act is the convenience of the Plaintiff.....”

(d) The learned Single Judge of this Court in O.A.Nos.382, 383 and 384 of 2021 in C.S.No.10 of 2021, by the order dated 10.12.2021, held that if a suit is filed in terms of Section 134(2) of the Trade Marks Act, Clause 12 of the Letters Patent has no application and held that the view of the learned Single Judge in the impugned judgement was not in accordance of law.

(e) From the above judgements, the following principles emerge and they are no longer *res-integra*:

(i) As per Section 134(2) of the Trade Marks Act, a plaintiff can file a suit in the Court within whose jurisdiction he resides or carries on business, irrespective of whether the cause of action had arisen, wholly or partly, in that place.

(ii) When a suit is filed in this Court by invoking the jurisdiction under Section 134(2) of the Trade Marks Act leave under Clause 12 of the Letters Patent is not necessary.

(f) Therefore, we are of the view that since admittedly, the Appellant/Plaintiff has its principal place of business within the jurisdiction of this Court, leave under Clause 12 of the Letters Patent is not necessary. We



also find that it was not the case of the respondent herein, before the learned Single Judge that leave under Clause 12 of Letters Patent should have been obtained by the Appellant. Therefore, in our view the learned Single Judge ought not to have dismissed the suit on the ground that leave under Clause 12 of the Letters Patent Act was not obtained.

11. Therefore, we have to examine whether in the light of the additional facts placed by the respondent herein that the plaintiff had another place of business in Uttar Pradesh, his application under Order VII Rule 10 can be allowed. The Respondent's prayer in the application filed under Order VII Rule 10 reads as follows:

" In the light of the above facts stated herein it is humbly prayed that this Hon'ble Court may be pleased to return the plaint in C.S.No.162 of 2019 to a Court of competent jurisdiction i.e Hon'ble Allahabad High Court and thereby rendered justice."

As stated earlier, the application was filed, since according to the respondent he had discovered that the applicant is carrying on business also at Ghaziabad in the State of Uttar Pradesh. Therefore, in our view the only question before the learned Single Judge was whether in the light of the additional facts brought before this Court, the plaint should have been returned to the Allahabad High Court.



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12. The Hon'ble Supreme Court in ***Indian Performing Rights Society vs. Sanjay Dalia and another*** case (cited supra) held that the plaintiff's right to institute the suit in the place where they are carrying on business is subject to certain restrictions. The restriction being that if the plaintiff is also carrying on business in any other place where cause of action has arisen, then, the plaintiff has to file the suit in that place.

13. The respondent had discovered that the plaintiff was also carrying on business at Ghaziabad in the State of Uttar Pradesh. It is their case that the defendant was carrying on business in a "similar place" namely Agra in Uttar Pradesh. It is not the Respondent's case that the place of business of the plaintiff and the cause of action falls within same District which confers jurisdiction only on that Court where plaintiff's place of business and cause of action arose. The Hon'ble Supreme Court in ***Indian Performing Rights Society vs. Sanjay Dalia and another*** case (cited supra) observed that the provisions of Section 134(2) of Trade Marks Act and other provisions in the C.P.C relating to jurisdiction have to be interpreted in such a way as to prevent the mischief of causing inconvenience to the parties. In that context, the Hon'ble Supreme Court held that where the place of business of the plaintiff



and cause of action had arisen with the same place, it is the Court which has Jurisdiction over that place which will take precedence and the plaintiff cannot institute the suit in any other place where he carries on business. However, we find that the cause of action has not arisen admittedly in the District of Ghaziabad, where the plaintiff carries on business. It is only in the District of Agra where the defendant resides, the cause of action had arisen. Therefore, the Branch office and the place where the cause of action had arisen are in two different places. That is, exactly, why the respondent has stated very interestingly, in his application stated that they were in “similar place” and he has not chosen to say that it was in the same place. In other words, it is the respondent's contention that since the Appellant had one more place of business which is nearer to the place where cause of action had arisen, he ought to have chosen that place to institute the suit. We hold that such an interpretation would be in violation of the provisions of Section 134 (2) of the Trade Marks Act, besides, being contrary to the judgement of the Hon'ble Supreme Court. If the place where the cause of action had arisen and place of the business of plaintiff are one and the same, then the plaintiff has no choice, except, to file the suit in that place. In the instant case, it is not so, as we have stated earlier.



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14. We also find that the prayer of the Appellant in the application filed under Order VII Rule 10 was to return the plaint to the Allahabad High Court.

The respondent has not stated as to how the Allahabad High Court would have jurisdiction in this matter. We hold that merely because the plaintiff has a branch office in a place which is near the place where the cause of action had arisen, the plaintiff's right to file the suit where his principal place of business is situated cannot be taken away. Therefore, we hold that this Court has jurisdiction to try the suit. We also find that the respondent, had come up with this plea nearly at the end of the trial. We are therefore of the view that the inherent jurisdiction cannot be exercised in the facts of the instant case to return the plaint.

15. For the foregoing reasons, we set aside the judgement of the learned Single Judge passed in C.S.No.162 of 2019. Hence, this Original Side Appeal is allowed. Consequently, connected miscellaneous petition is closed. No costs.

[M.D.J]

[S.M.J]

15.07.2022

Index : Yes

Internet : Yes

Speaking/Non-Speaking orders

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O.S.A.(CAD) No.122 of

M.DURAISWAMY,J.

and

SUNDER MOHAN,J.

dk

Pre-delivery Judgement made in

O.S.A.(CAD) No.122 of 2021
and C.M.P.No.19646 of 2021

15.07.2022