

Legal Issues in

Legal issues in CPC in the context of IP Enforcement

Module 1 – Analysis of jurisdiction under CPC vis-à-vis specific IP laws

Code of Civil Procedure, 1908

❖ Relevant Provisions:

- **Section 9** – Courts to try all civil suits unless barred
- **Section 15** – Court in which suit to be instituted
- **Section 16** – Suits to be instituted where subject-matter situate
- **Section 17** – Suits for immovable property situate within jurisdiction of different Courts
- **Section 18** – Place of institution of suit where local limits of jurisdiction of Courts are uncertain
- **Section 19** – Suits for compensation for wrongs to person or movables
- **Section 20** - Other suits to be instituted where defendants reside or cause of action arises

Section 20, Code of Civil Procedure, 1908

- ❖ *“Subject to the limitations aforesaid, every suit shall be instituted in a Court within the local limits of whose jurisdiction:*
- a) the defendant, or each of the defendants where there are more than one, at the time of the commencement of the suit, actually and voluntarily resides, or carries on business, or personally works for gain; or*
 - b) any of the defendants, where there are more than one, at the time of the commencement of the suit, actually and voluntarily resides, or carries on business, or personally works for gain, provided that in such case either the leave of the Court is given, or the defendants who do not reside, or carry on business, or personally works for gain, as aforesaid, acquiesce in such institution; or*
 - c) The cause of action, wholly or in part, arises.*

Explanation - A corporation shall be deemed to carry on business at its sole or principal office in India or, in respect of any cause of action arising at any place where it has also a subordinate office, at such place.”

Section 134, The Trade Marks Act, 1999

- ❖ Suit for infringement, etc., to be instituted before District Court.: *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.
- ❖ *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.*

Section 62, Copyright Act, 1957

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

Dhodha House and Ors. vs. S.K. Maingi and Ors., 2006 (32) PTC 1 (SC)

- ❖ The Court considered the question as to whether if causes of action arises under the Copyright Act and the 1958 TM Act, would a suit be maintainable in a court only because it has the jurisdiction to entertain it under Section 62(2) of the Copyright Act?
- ❖ The court noted that “*Cause of action, as is well-settled, is a bundle of facts which are necessary to be proved in a given case. Cause of action, it is trite, if arises within the jurisdiction of the court concerned empowers the court to entertain the matter.*”
- ❖ Order II Rule 3 of the CPC, viz., joinder of causes of action allows the plaintiff to unite in the same suit several causes of action against the same defendant, or the same defendants jointly. While cause of action for infringement of trademarks/copyright or a cause of for passing off would be different, even if one cause of action has nexus with the other, joinder is permissible under Order II Rule 3.

Dhodha House and Ors. vs. S.K. Maingi and Ors., (Contd.)

- ❖ It is a well-established principle of law that a judgment or order passed by a court lacking territorial jurisdiction would be *coram non judice*.
- ❖ The court, in finality, held that “*For the purpose of invoking the jurisdiction of a court only because two causes of action joined in terms of the provisions of the Code of civil Procedure, the same would not mean that thereby the jurisdiction can be conferred upon a court which had jurisdiction to try only the suit in respect of one cause of action and not the other*”
- ❖ Here, the court noted that “*...by reason of application of Order II Rule 3 of the Code ipso facto would not confer jurisdiction upon a court which had none so as to enable it to consider infringement of trade mark under the 1957 Act as also the 1958 Act.*”

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IPRS v. Sanjay Dalia and Ors., 2015 (63) PTC 1 (SC)

- ❖ The court opined that “...in a case where cause of action has arisen at a place where the Plaintiff is residing...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...might be carrying on business or personally works for gain.”
- ❖ The court noted that the advent of specific provisions regarding jurisdiction in the Trade Marks Act and Copyright Act have removed the impediment under Section 20 of the CPC of suing where the defendant resides or at the place where the cause of action arose.
- ❖ The court also applied the prevention of mischief rule as elaborated in **Heydon's case** [76 ER 637], and noted that “...While interpreting a statute, the problem or mischief that the statute was designed to remedy should first be identified and then a construction that suppresses the problem and advances the remedy should be adopted.”

IPRS v. Sanjay Dalia and Ors. (Contd.)

- ❖ Suing under the specific provisions, in the court's opinion, is subject to the rider that *“if 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 Plaintiff is having branch offices etc.”*
- ❖ *The non-obstante* clauses in Section 62 of the Copyright Act and Section 134 of the Trade Marks Act, viz., *'notwithstanding anything contained in Code of Civil Procedure or any other law for the time being in force'*, ensure that compliance with Section 20 of the CPC is not necessary if the plaintiff resides, carries on business or personally works for gain, within the local limits of the court where he/she has filed the suit.
- ❖ Having said the above, the court noted that the specific provisions providing for an *‘additional forum’* cannot be interpreted in a manner that suits the plaintiff, i.e., in different place or than where the plaintiff is residing, has the principal office and incidentally where the cause of action wholly or in part has arisen.

Ultra Home Construction Pvt. Ltd. v. Purushottam Kumar Chaubey and Ors., 2016 (65) PTC 469 (Del)

- ❖ As per the court “...a company having both a principal office and a subordinate office at a different place would be deemed to carry on business either at the principal office or at the place of the subordinate office but not at both places.”
- ❖ Depending on where the cause of action arises, the court within whose territorial jurisdiction the principal or subordinate office is located is where the company would be deemed to have been carrying on business, and consequently, would bestow jurisdiction upon that particular court.
- ❖ The court noted that “in addition to the places where suits could be filed under section 20 of the Code, the plaintiff can also institute a suit under the Trade Marks Act, 1999 and the Copyright Act, 1957, as the case may be, by taking advantage of the provisions of section 134(2) or section 62(2), respectively.”

Ultra Home Construction Pvt. Ltd. v. Purushottam Kumar Chaubey and Ors. (Contd.)

❖ The four situations contemplated by the court under these provisions is as under:

Sl No.	Place of Plaintiff's principal office	Place of Plaintiff's 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

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Burger King Corporation v. Techchand Shewakramani and Ors., 2018 (76) PTC 90 (Del)

- ❖ The court held that “...*the provisions of Section 134 of the TM Act and Section 62 of the Copyright Act are in addition to and not in exclusion of Section 20 of the CPC.*”
 - If a plaintiff can satisfy Section 20(c) of the CPC, there is no need to go into the jurisdiction provisions under the specific IP laws.
- ❖ The court also went into what constitutes cause of action in a trademark suit, and in this regard, held that violation of trademark rights “*happens when a person “uses in the course of trade” any mark without the owner's consent.*”
- ❖ The court noted that if use takes place within the jurisdiction of a particular court, cause of action arises, and consequently, jurisdiction is conferred upon that court.

Burger King Corporation v. Techchand Shewakramani and Ors. (Contd.)

- ❖ “...*jurisdiction of a Court in a trade mark action, could be invoked where there is use upon or in relation to goods. The phrase 'in relation to' has been interpreted to include advertising, promotion, publicity, etc...in addition to actual sale of goods and providing services, if a person advertises,...or promotes his or her business under the mark in a territory.., sources, ...manufactures..., assembles goods..., undertakes printing of packaging, exports goods from a particular territory, it would constitute 'use of a mark'.*”
- ❖ The court held that “*when Section 20 of the CPC provides that a suit could be filed in any place where the cause of action arises, in a suit involving rights in a trademark, cause of action arises in each and every place where there is any form of use of the said mark.*”

Cases on Online Jurisdiction

- ❖ *Banyan Tree Holding (P) Limited v. A. Murali Krishna Reddy and Ors.*, [2010 (42) PTC 361 (Del)]
- ❖ *World Wrestling Entertainment, Inc. v. M/s. Reshma Collections*, [2014 (60) PTC 452 (Del)]
- ❖ *Impresario Entertainment & Hospitality Pvt. Ltd. v. S&D Hospitality*, [2018 (73) PTC 275 (Del)]
- ❖ *Exxon Mobil Corporation v. Exxoncorp Private Limited*, [2019 (79) PTC 335 (Del)]
- ❖ *Juggernaut Books Pvt. Ltd. vs. Inkmango Inc. & Ors.*, [CS (COMM) 421/2019]

THANK YOU!

Questions?

Janaki Arun, Associate

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