

Legal Issues
in
CPC in the context of IP Enforcement
Module 3 - Legality of Anti-Suit Injunctions

Introduction

❖ What is an Anti-Suit Injunction?

An anti-suit injunction is an order of a court requiring the injunction defendant not to commence, or to cease to pursue, or not to advance particular claims within, or to take steps to terminate or suspend, court or arbitration proceedings in a foreign country, or court proceedings elsewhere in the court's own territorial jurisdiction.

❖ Relevant Provisions:

- Section 20, The Code of Civil Procedure, 1908
- Order XXXIX, The Code of Civil Procedure, 1908
- Section 134, The Trade Marks Act, 1999
- Section 104, The Patents Act, 1970

Modi Entertainment Network and Anr. v. W.S.G. Cricket PTE. Ltd., (2003) 4 SCC 341

- ❖ *“(1) In exercising discretion to grant an anti-suit injunction the court must be satisfied of the following aspects:-*
 - (a) the defendant, against whom injunction is sought, is amenable to the personal jurisdiction of the court;*
 - (b) if the injunction is declined the ends of justice will be defeated and injustice will be perpetuated; and*
 - (c) the principle of comity...*
- (2) in a case where more forums than one are available, the Court in exercise of its discretion to grant anti-suit injunction will examine as to which is the appropriate forum (Forum conveniens) having regard to the convenience of the parties and may grant anti-suit injunction in regard to proceedings which are oppressive or vexations or in a forum non-conveniens;*
- (3) Where jurisdiction of a court is invoked on the basis of jurisdiction clause in a contract, ...the court has to decide the same on a true interpretation of the contract on the facts and in the circumstances of each case;*

Modi Entertainment Network and Anr. v. W.S.G. Cricket PTE. Ltd., (Contd.)

(4) a court of natural jurisdiction will not normally grant anti-suit injunction against a defendant before it where parties have agreed to submit to the exclusive jurisdiction of a court including a foreign court, ...save in an exceptional case for good and sufficient reasons, with a view to prevent injustice in circumstances such as...;

(5) where parties have agreed, under a non-exclusive jurisdiction clause, to approach a neutral foreign forum...ordinarily no anti-suit injunction will be granted...as it shall be presumed that the parties have thought over their convenience and all other relevant factors...;

(6) a party to the contract containing jurisdiction clause cannot normally be prevented from approaching the court of choice of the parties...yet when one of the parties to the jurisdiction clause approaches the court of choice...the proceedings in that court cannot per se be treated as vexatious or oppressive...; and

(7) the burden of establishing that the forum of the choice is a forum non-conveniens or the proceedings therein are oppressive or vexatious would be on the party so contending to aver and prove the same.”

[Emphasis Supplied]

HT Media Limited and Ors. v. Brainlink International Inc. and Ors., 2020 (82) PTC 396 (Del) |

- ❖ Suit filed by the Plaintiffs for permanent injunction to restrain the Defendants from in any manner using directly or indirectly the domain name <www.hindustan.com> or any other mark identical/deceptively similar to the Plaintiffs' trade marks HINDUSTAN and HINDUSTAN TIMES amounting to trademark infringement and passing off of the Plaintiffs' goods and services as those of the Defendants.
- ❖ Permanent injunction was also sought to restrain the Defendants from proceeding with the Suit *Brainlink International, Inc. v. HT Media Ltd. & Anr.* (Civil Action No. 1 20-cv-01279) before the United States District Court for the Eastern District of New York or from instituting or filing any other suit/applications/proceedings in any Court of Law in relation to the impugned domain name or any issue which forms the subject matter of the present suit.

HT Media Limited and Ors. v. Brainlink International Inc. and Ors., (Contd.)

❖ Held:

- *“Admittedly, the Defendants have not used the Domain name www.hindustan.com since 2000...It thus, appears that the Defendants' sole motive for registering the impugned Domain name was only to profiteer from the same and this is thus a classic case of cyber squatting...”*
- *“Bad faith on the part of the Defendants is also prima facie borne out from the fact that their offer price for the impugned Domain name increased to US \$ 3 million when the Plaintiffs approached the Defendants to buy the same, as opposed to quote of US \$ 1 million, when approached by one of the investigators of the Plaintiffs.”*
- *“Since the publications of the Plaintiffs are for Indian audiences, the damage, if any, would be to the goodwill and reputation of the Plaintiffs, in India. The damage that would arise would be a consequence of the fact that the impugned website is accessible in India and in any case intended to publish information primarily aimed at Indian audiences...”*

HT Media Limited and Ors. v. Brainlink International Inc. and Ors., (Contd.)

❖ Held:

- *“A close reading of the judgment in India TV...would show that if the Plaintiffs are able to demonstrate close connection of the Defendants' activities in India and if cause of action has arisen here, coupled with it being reasonable to exercise jurisdiction, Court would exercise jurisdiction over the Defendants. Under Section 20(c) CPC, a suit can be filed within the local limits of the Courts where the cause of action arises, wholly or in part.”*
- *“This Court is also of the prima facie opinion that the Suit before the Eastern District of New York, is vexatious and oppressive, as the Plaintiffs have not asserted Trademark rights in USA. The Trademarks of the Plaintiffs are registered in India and the Plaintiffs' goodwill spills over Internationally... The filing of the suit is also an attempt to legitimize the alleged infringement action of the registered Trademarks of the Plaintiffs.”*

Interdigital Technology Corporation and Ors. v. Xiaomi Corporation and Ors., I.A. 8772/2020 in CS(COMM) 295/2020

- ❖ Suit was filed for, *inter alia*, (i) an interim injunction, against the Defendants, restraining them from enforcing, against the Plaintiffs, an anti-suit injunction order of September 23, 2020, passed by the Wuhan Intermediate People's Court, pending final disposal of the present proceedings, (ii) a direction to the Defendants to immediately withdraw Case No. (2020) E 01 Zhi Min Chu No. 169.1, filed by them before the Wuhan Court, and (iii) a direction, to the defendants, to immediately withdraw the anti-suit injunction application, filed by them, before the Wuhan Court in the aforesaid complaint.
- ❖ In its order dated September 23, 2020, the Wuhan Court stated, *inter alia*, that upon service, the Plaintiffs shall withdraw their applications for temporary and permanent injunctions before the Delhi High Court, shall not file a fresh suit before any courts during the pendency of the proceeding before the Wuhan Court, and shall not apply for enforcing any temporary or permanent injunction that has been granted or is likely to be granted by any courts in either China or any other countries, etc.

Interdigital Technology Corporation and Ors. v. Xiaomi Corporation and Ors., (Contd.)

- ❖ On October 9, 2020, the Court had enjoined the Defendants, ad interim, from enforcing the order dated September 23, 2020 of the Wuhan Court against the Plaintiffs.

- ❖ **Held:**
 - *“ Injunctions, of legal proceedings in foreign climes, may, plainly, take one of the three forms. There are anti-suit injunctions, in which the Court enjoins the party from proceeding with the main suit, pending before the foreign Court; "anti-anti-suit injunctions" [which, frankly, should more correctly be called "anti-anti-suit injunction-injunctions"], where the Court enjoins the party from proceeding with the anti-suit injunction application filed before the foreign Court to enjoin the "local" proceedings, and "anti-enforcement injunctions", where the Court enjoins one of the parties before it from enforcing, against the other, a decree or order passed by a foreign Court.”*

Interdigital Technology Corporation and Ors. v. Xiaomi Corporation and Ors., (Contd.)

- *“Anti-enforcement injunctions would also fall within two categories; the first, where the order, the enforcement of which is sought to be enjoined, is an order in the main suit/complaint/other proceeding in the foreign Court and, the second, where injunction is sought of an anti-suit injunction order passed by the foreign Court.”*
- *“Perceived infringement of Indian patents can, indisputably, be challenged only in India....The Wuhan Court has, while observing that the plaintiffs were seeking, by initiating the present proceedings before this Court, to exclude the jurisdiction of the Wuhan Court can interfere with the Wuhan proceedings, completely overlooked this fact. There can be no question of exclusion of the jurisdiction of the Wuhan Court by the plaintiffs, in the present proceedings, for the simple reason that the Wuhan Court has no jurisdiction to adjudicate on the present suit or decide the issue in controversy raised therein, i.e. infringement, by the defendants, of the Indian suit patents of the plaintiffs.”*

THANK YOU!

Questions?

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