

**Jurisdictional Issues in Trademark, Copyright &
Patent Disputes: Law and Practice**

- **When is challenge to territorial jurisdiction decided (timing)?**
- **What is the meaning of carrying on business/ actually and voluntary resides/ personally works for gain under Ss. 20 (CPC), 134 (TM), and 62 (CR)?**
- **Cause of action in TM, CR, and patent suits (including Quia Timet)**
- **Carrying on business and cause of action on the internet in TM, CR, and patent suits**

Question of fact - to be determined at trial

- *Expfar SA v. Eupharma* (SC, 2004)
- *Ford Motor Co. v. CR Borman* (DHC/ DB, 2008)
- *RSPL v. Mukesh Sharma* (DHC/ DB, 2016)
- *Allied Blenders v. RK Distillers* (DHC/DB, 2017)

- When an **objection to jurisdiction is raised by way of demurrer** and not at the trial, the objection **must proceed on the basis that the facts as pleaded by the initiator of the impugned proceedings are true.** (*Expfar*)
- While in the case of an **O. VII R. 10 application, the issue of jurisdiction is decided on the basis of what is stated in the plaint** and, that too, after assuming the statements to be correct, **an application under O. XXXIX Rr. 1 & 2 requires the examination of the contentions of the defendants** in written statement, reply, and other material placed before court. (*Allied Blenders*)
- O. 6 R. 2 requires every pleading, which includes a plaint, to contain, “and contain only”, a statement in concise form of the material facts on which the party pleading relies for his claim, but not the evidence by which they are to be proved. (*RSPL*)

Where can a suit be filed

Section 20, CPC

Defendant actually and
voluntarily resides/
carries on business/
personally works for
gain

Cause of action –
whole or in part

Explanation to
S. 20

Where can a suit be filed

Plaintiff actually and
voluntary resides/
carries on business/
personally works for
gain

S. 134 Trade Marks Act

S. 62 Copyright Act

S. 20: **“Defendant”** may carry on business at many locations

Patel Roadways v. Prasad Trading (SC, 1991, 3 Judge bench)

- Interpretation of explanation to Section 20 (“carrying on business by corporation”)
- If cause of action and defendant’s subordinate office overlap, then corporation deemed to carry on business only at such place not at its sole or principal office.
- When there is no such overlap, then at its sole or principal office.

Ss. 134 & 62: “Plaintiff” carries on business or personally works for gain

Dhodha House v. SK Maingi (SC, 2005)

- **Personally works for gain:** presence of plaintiff necessary
- **Carries on business:**
 - a) exclusive /special agent, manager, servant
 - b) have control/ voice/ share in profit - loss/ say in operations
 - c) essential part of business
 - d) mere sales not enough

Mayar v. Vessel MV Fortune (SC, 2006)

- Principal place of business is the nerve center of the corporation; where the governing power of the corporation is exercised.

Ss. 62 & 134: *IPRS v. Sanjay Dalia* (SC, 2015)

- Overlap of cause of action and where Plaintiff actually and voluntarily resides/ carries on business/ personally works for gain would oust jurisdiction of other place where plaintiff may be carrying on business or personally works for gain

Ss. 62 & 134: *Ultra Homes v. Purshottam Kumar Chaubey*
(DHC/ DB, 2016)

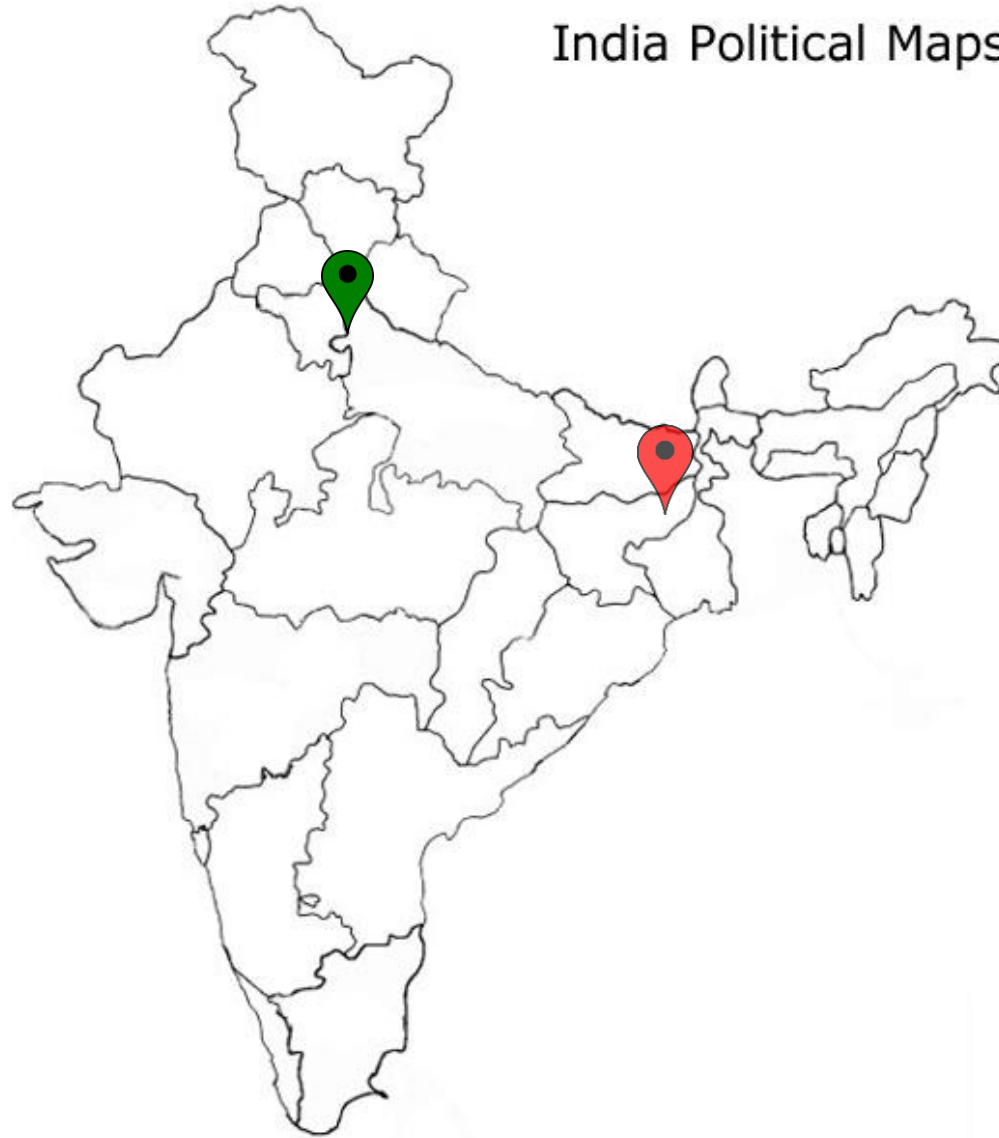
S.no.	Place of plaintiff's principal office (sole office in S.No. 1)	Place of Plaintiff's subordinate/ branch office	Place where cause of action arose	Place where Plaintiff can additionally sue under Ss. 134 & 62	Place where Plaintiff can sue under Ss. 20, 62, 134
1.	A	--	C	A	A, C
2.	A	B	A	A	A
3.	A	B	B	B	B
4.	A	B	C	A	A, C

India Political Maps



P's registered office: Delhi

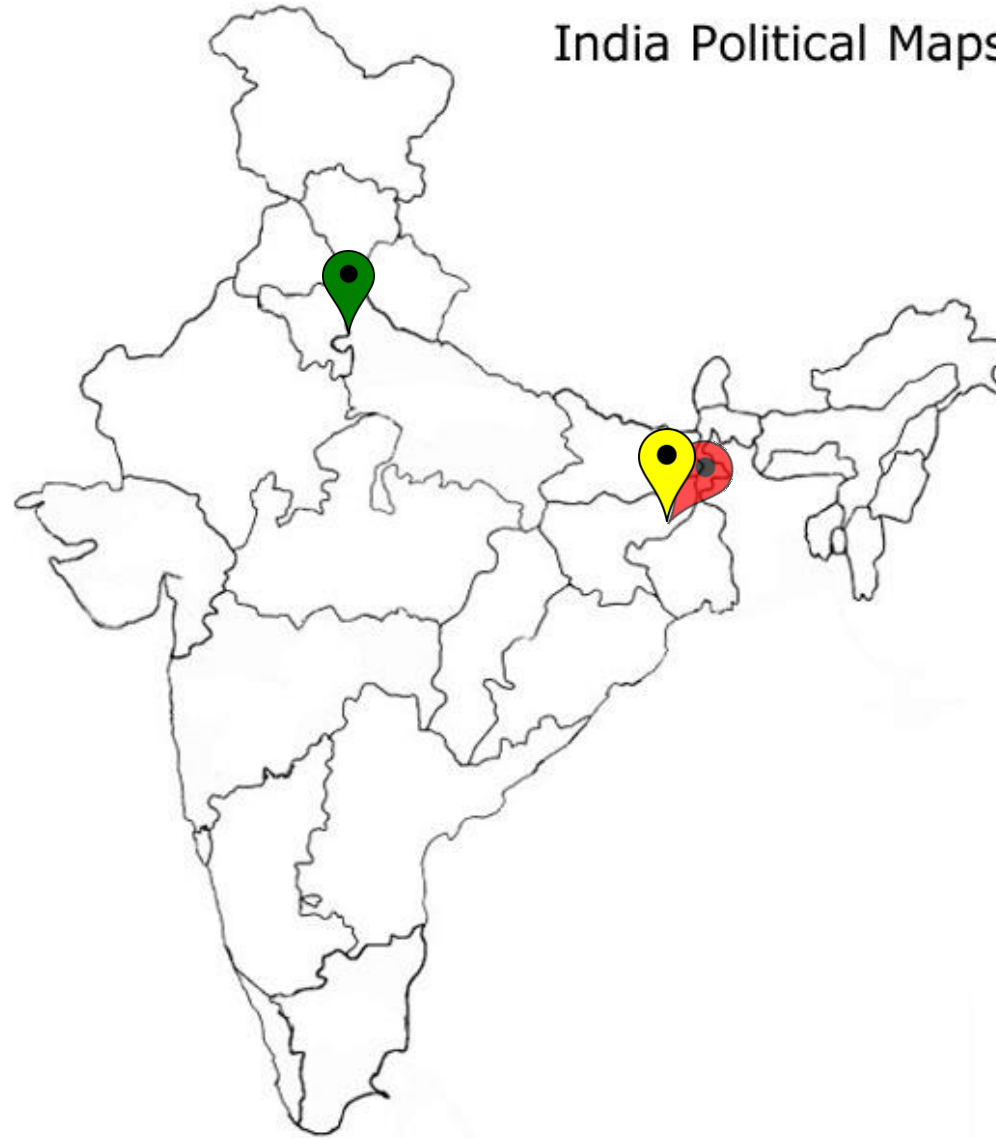
India Political Maps



P's registered office: Delhi

D's hotel (COA): Deogarh

India Political Maps

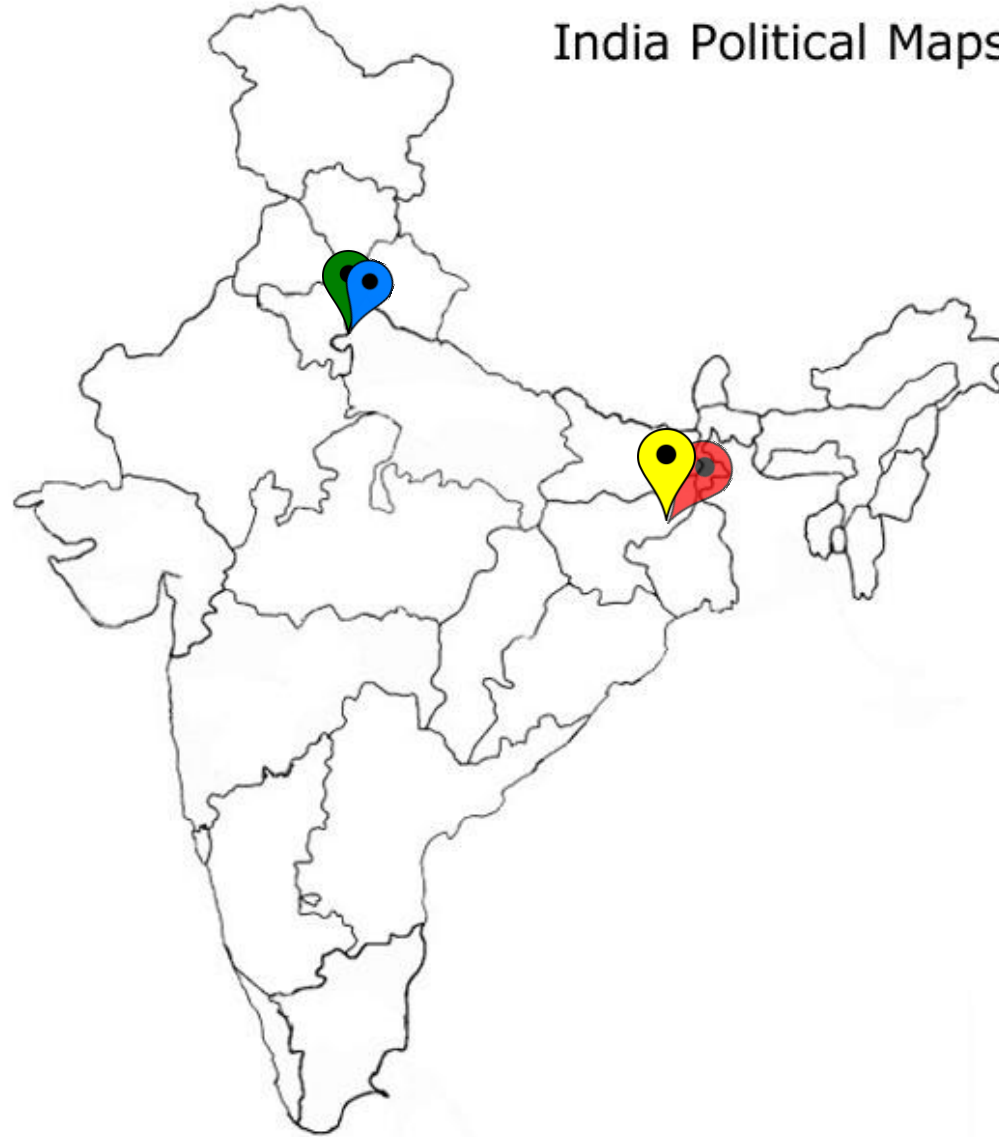


P's registered office: Delhi

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India Political Maps



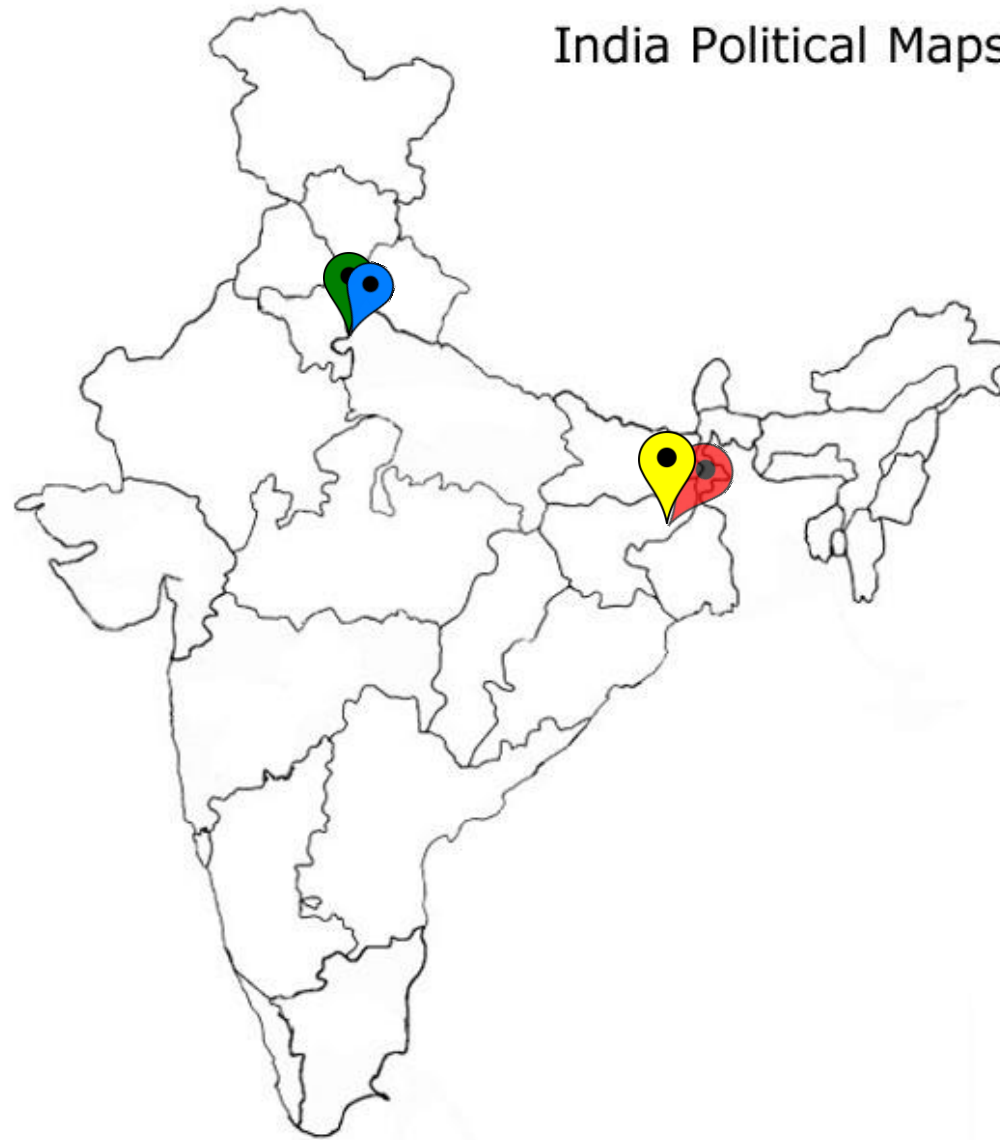
P's registered office: Delhi

D's hotel (COA): Deogarh

P's hotel: Deogarh

Suit filed: Delhi High Court

India Political Maps



P's registered office: Delhi

D's hotel (COA): Deogarh

P's hotel: Deogarh

Suit filed: Delhi High Court

**COURT RULING: NO
JURISDICTION**

Manugraph India Ltd. v. Mimarq Technologies Pvt. Ltd. (Bombay High Court/Single Judge, 2016)

Place of plaintiff's principal office	Place of plaintiff's subordinate/branch office	Place where cause of action arose	Place where plaintiff can additionally sue under Ss. 134 & 62	Place where Plaintiff can sue under Ss. 20, 62, 134
Mumbai	Delhi, Port Blair	Delhi	Mumbai, Delhi	Mumbai, Delhi

HUL v. Sushil Kumar (Calcutta High Court, Single Judge, 2016)

- Clause 12 of the Letters Patent somewhat stands in pari materia with Section 20 of the Code of Civil Procedure but the distinctive features can be noticed because of the absence of an explanation.
- From harmonious reading of Section 62 of the Copyright Act and Section 134 of the Trade Marks Act vis-à-vis Clause 12 of the Letters Patent, it leaves no ambiguity that an additional ground for attracting the jurisdiction of the Court is provided.

HUL (Judgment dated 12.12.16 in CS (OS) 202/16) (Madras High Court, Single Judge)

- When there is no difference between the principal office and a branch, coupled with the fact that no cause of action has arisen on facts in both the places, it cannot be said that the suit has to be laid at the principal office alone. Perhaps, the doctrine of forum convenience may be a factor for the court to decide.

Jurisdiction based on cause of action under S. 20

Cause of Action

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graph TD; A[Cause of Action] --> B[Whole or part of cause of action]; A --> C[Quia timet (apprehension)]; A --> D[Website presence];
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Whole or part of
cause of action

Quia timet
(apprehension)

Website presence

S. 20: Part of cause of action

Girdhari Lal Gupta v. K Gian Chand (DHC/ FB, 1977)

- The impact of the registration travels beyond the place of registration.
- A person may intend to use the registered design but is prevented from carrying out his intention into practice because he would be thereby infringing the copyright created by the registered design and would, therefore, be contravening the law. The cause of action in favor of such a person consists only of the existence of the registration.

S. 20: Part of cause of action

IPRS v. Sanjay Dalia (SC, 2015)

- Cause of action not only refers to the infringement but also the material facts on which the right is founded.

S. 20: Part of cause of action

MBPL v. Axis Bank (DHC/DB, 2016)

- The fact that the compulsory licenses were issued in Delhi necessarily entails that a part of the cause of action arose in Delhi. Once this is recognized, this court would certainly have territorial jurisdiction to entertain the suit.

Quia Timet

- *Jawahar Engineering v. Jawahar Engineers (DHC/DB, 1983)*
- *Mars v. KK Mukherjee (DHC/ SJ, 2002)*
- *Pfizer v. Rajesh (DHC/ SJ, 2006)*
- *Matrix v. Roche (Madras High Court/ DB, 2011)*
- *LG Electronics v. Bharat Bhogilal (DHC/ SJ, 2012)*
- *Teva v. Natco (DHC/ DB, 2014)*
- *Win Plast v. Symphony (Gujarat High Court/ DB, 2015)*
- *Allied Blenders v. RK Distillers (DHC/ DB, 2017)*

- If **threat exists**, then the court would clearly have **jurisdiction** to entertain the suit (*Pfizer*)
- Merely because seat of IPAB is in Chennai, **filing of revocation petition cannot give rise to cause of action in Chennai** (*Matrix*)
- Once the plaintiff has pleaded apprehension of sale/ marketing in a state, courts in that state would have jurisdiction to entertain the suit and such **jurisdiction cannot be ousted by the defendant by making a statement not to do any such act in that state**, though the defendant would be entitled to prove that there is no basis for such apprehension (*Teva*)
- The defendant had launched the product in Bhopal and other places. Therefore, the **apprehension that it is likely to be launched in Ahmedabad, coupled with the fact that there is a distributor appointed, sufficiently justify the apprehension for quia timet action** (*Winplast*)

Carrying on business and cause of action on the internet

Casio India v. Ashita Tele Systems (DHC/ Single Judge, 2003)

- Once access to impugned website could be had from anywhere else, jurisdiction not confined to residence of defendant.

India TV v. India Broadcast (DHC/ Single Judge, 2007)

- Mere passive posting of a website does not give jurisdiction.
- Purposeful direction of activity to the forum state in a substantial way.
- Damage caused or likely to be caused to plaintiff in forum state.

Carrying on business and cause of action on the internet – common now

Banyan Tree v. A. Murali (DHC/ Division Bench, 2009)

- Defendant has purposefully availed itself of jurisdiction:
 - a) Prima facie shown **intention to conclude real commercial transaction** with website user, and
 - b) **Specific targeting** of forum state **resulted in injury** to plaintiff **(or is likely to result in injury)**.
- S. 20(c) website specifically targeted at viewers in forum state for real commercial transactions.

Internet jurisdiction: WWE v. Reshma (DHC/ Division Bench, 2014)

- Carrying on essential business

- a) Where shop in the 'physical sense' is replaced by the 'virtual' shop because of the advancement of technology, it cannot be said that plaintiff would not carry on business at such place.
- b) If contracts and/ or transactions entered into between plaintiff and customers are concluded in a place, then to a certain extent plaintiff is carrying on business in that place.

- Cause of action

- a) The invitation, if accepted by a customer in Delhi, becomes an offer made by the customer in Delhi for purchasing the goods advertised on the website of the party. When, through the mode of software and browser, transaction is confirmed and payment is made through the website, party accepts offer of customer in Delhi. Therefore, part of cause of action would arise in Delhi.

Conclusion

- Practice regarding O. VII R. 10/ 11 varies across courts – E.g: Delhi: common; Chennai & Mumbai: rare.
- Determining O. VII R. 10/ 11 could be time consuming, though only plaint is to be looked.
- Imposing costs to incentivize reasonable positions by litigants.