

SESSION - III

WORKSHOP FOR HIGH COURT JUSTICES ON
INTELLECTUAL PROPERTY RIGHTS

AT

THE NATIONAL JUDICIAL ACADEMY

2nd & 3rd November, 2019

Jurisdictional Issues in Trademark, Copyright & Patent Disputes

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INTRODUCTION

- The Commercial Courts Act, 2015 has established several commercial courts to adjudicate disputes concerning IPRs.
- The statutes relevant for determining the question of jurisdiction are as follows:
 1. The Code of Civil Procedure, 1908
 2. The Trade Marks Act, 1999
 3. The Copyright Act, 1957
 4. The Patents Act, 1970



Code of Civil Procedure, 1908

“20. Other suits to be instituted where defendants reside or cause of action arises.—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.”

The Trade Marks Act, 1999

“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.”

The Copyright Act, 1957

“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.”

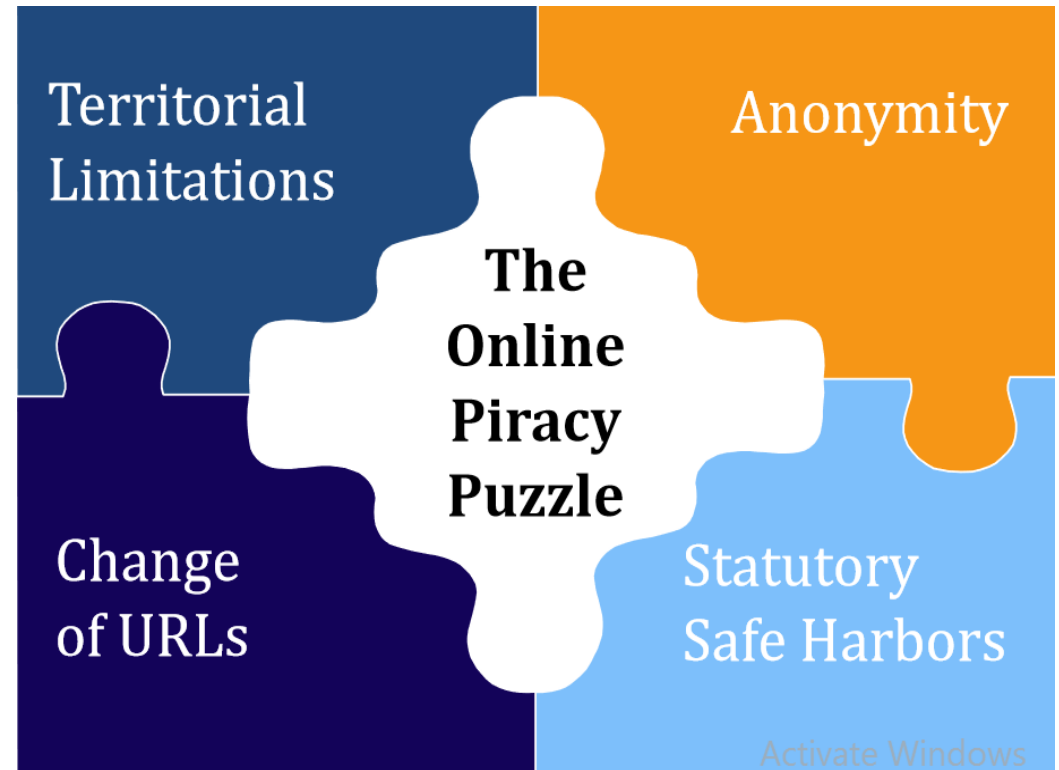
The Patents Act, 1970

“104. Jurisdiction. – No suit for a declaration under section 105 or for any relief under section 106 or for infringement of a patent shall be instituted in any court inferior to a district court having jurisdiction to try the suit:

Provided that where a counter-claim for revocation of the patent is made by the defendant, the suit, along with the counter-claim, shall be transferred to the High Court for decision.”

CHALLENGES

- The existence of different statutes for determining jurisdiction and the rise in IPR violations online has created several difficulties in deciding the issue of jurisdiction.
- Challenges include, user anonymity, changing URLs, territorial limitations etc.



Case Law

on

S.134 - TM Act, 1999;

S.62 - Copyright Act, 1957; and

S.20 - C.P.C., 1908

Exphar SA and Ors. v. Eupharma Laboratories Ltd. and Ors.

[Civil Appeal Nos.1189-90/2004, decided on 20th February, 2004]

- The Appellant's had filed a suit for copyright infringement, passing off, delivery up etc., which was returned to the Appellants by a DB of the DHC on the ground that the DHC had no territorial jurisdiction to entertain the suit as the goods were not being sold within the territorial jurisdiction of the DHC.
- The jurisdiction of the DHC was invoked on the ground that the Appellants carry on business in Delhi and one of them has a registered office in New Delhi. It was also stated that the Respondents carry on business for profit in New Delhi.
- The Court considered S.62 of the Copyright Act and observed that the word 'include' shows that jurisdiction for the purpose of S.62 is wider than that prescribed under the CPC. On account of the DB's restrictive interpretation of S.62, amongst other grounds, the order of the DB was set aside.

FINDINGS

“12. We would like to emphasise the word "include". This shows that the jurisdiction for the purposes of Section 62 is wider than that of the Court as prescribed under the Code of Civil Procedure, 1908. ...

13. It is, therefore, clear that the object and reason for the introduction of Subsection (2) of Section 62 was not to restrict the owners of the copyright to exercise their rights but to remove any impediment from their doing so. Section 62(2) cannot be read as limiting the jurisdiction of the District Court only to cases where 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 presently works for gain. It prescribes an additional ground for attracting the jurisdiction of a Court over and above the 'normal' grounds as laid down in Section 20 of the Code.”

*Dhodha House v. S. K. Maingi & Patel Field Marshal Industries
and Ors. v. P. M. Diesel Ltd.*

[Civil Appeal Nos.6248/1997 & 16/1999, decided on 15th December, 2005]

- Two matters were heard together. In the first matter, although the Plaintiff carried on business in Ghaziabad, the TC at Ghaziabad was found to not have jurisdiction, as the Defendant resided in Faridkot. In the second matter, even though neither party was from Delhi, a DB of the DHC found that as the Defendant's goods were being sold in Delhi, the DHC had jurisdiction under S.62 of the Copyright Act, 1957.
- The question which arose was whether a suit under the Copyright Act, 1957 and the Trade and Merchandise Marks Act, 1958 is maintainable in a court which only has jurisdiction under S. 62(2) of the Copyright Act, 1957?
- As no provision equivalent to S. 62 of the Copyright Act, 1957 existed in the Trade and Merchandise Marks Act, 1958, the Court was found to not have jurisdiction.

FINDINGS

“In Patel Field Marshal (supra) ... the Delhi High Court could not have invoked its jurisdiction in terms of the 1957 Act. The primary ground upon which the jurisdiction of the original side of the High Court was invoked was the violation of the 1958 Act, but in relation thereto, the provisions of subsection (2) of Section 62 of the 1957 Act could not be invoked.”

“... 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. Recourse to the additional forum, however, in a given case, may be taken if both the causes of action arise within the jurisdiction of the court which otherwise had the necessary jurisdiction to decide all the issues. ...”

IPRS v. Sanjay Dalia & Anr.

[Civil Appeal Nos.10643-10644/2010, decided on 1st July, 2015]

- The Plaintiff filed a suit to prevent the infringement of its Trade Mark and Copyright in the High Court of Delhi, by virtue of the fact that its Branch Office was situated in Delhi and it was also carrying on its business in Delhi.
- The Defendants cinema halls, where the infringement allegedly took place, were located in Mumbai and the entire cause of action, as alleged in the plaint, had also arisen in Mumbai.
- The Court purposively interpreted Section 62 of the Copyright Act and Section 134 of the Trade Marks Act, to hold that the intent of these provisions was never to enable the Plaintiff to file a suit at a distant place where its subordinate office is situated when the Plaintiff's principal place of business is elsewhere and the cause of action has also arisen there.

FINDINGS

“17. ... The impediment created to the plaintiff by section 20 C.P.C. 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. ... 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. ...”

“47. In our opinion, the provisions of section 62 of the Copyright Act and section 134 of the Trade Marks Act have to be interpreted in the purposive manner. No doubt about it that a suit can be filed by the plaintiff at a place where he is residing or carrying on business or personally works for gain. He need not travel to file a suit to a place where defendant is residing or cause of action wholly or in part arises. However, if the plaintiff is residing or carrying on business etc. at a place where cause of action, wholly or in part, has also arisen, he has to file a suit at that place, as discussed above.”

*Ultra Home Construction Pvt. Ltd. v. Purushottam Kumar
Chaubey and Ors., 227 (2016) DLT 320*

- The Plaintiff/Appellant filed the present appeal against the judgment of a Id. Single Judge dismissing the Appellant's suit for trademark infringement for lack of territorial jurisdiction.
- The Appellant claimed jurisdiction on the ground that its principal office was in Delhi and that, therefore, the DHC had territorial jurisdiction under S.134(2) of the Trade Marks Act, 1999, S.62(2) of the Copyright Act, 1957 and the CPC.
- The appeal was disposed of by a Id. DB of the DHC with the observation that since the Appellant carries on business in both Jharkhand and Delhi and the cause of action has arisen in Jharkhand, in view of the decision in *IPRS v. Sanjay Dalia (supra)*, the Appellant cannot sue the Defendants/Respondents in Delhi.

FINDINGS

“8 . On examining the provisions of section 20 of the code, it is evident that a defendant could be sued inter alia where the defendant carried on business. If the defendant was a corporation (which expression includes a company), by virtue of the explanation after clause (c), it would be deemed to carry on business:-

(1) if it had a sole office in India then at the place of the sole office;

(2) if it had a principal office at one place as well as a subordinate office at another place then:-

(i) in case the cause of action arose at the place of the subordinate place, at that place; or

(ii) in case no part of the cause of action arose at the place of the subordinate office, at the place of the principal office.

...

11. Thus, for the purpose of section 20 of the Code, 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. If the cause of action arose at the place of the subordinate office then the company would be deemed to carry on business at the place of the subordinate office alone. On the other hand, if the cause of action did not arise at the place of the subordinate office then the company would be deemed to carry on business at the place of its principal office.”

“12. By virtue of the Supreme Court decision in Sanjay Dalia (supra) this deeming provision contained in the explanation in section 20 of the Code has been read into section 134(2) of the Trade Marks Act, 1999 and section 62(2) of the Copyright Act, 1957 for the purposes of isolating the place where the plaintiff can be said to carry on business. It will be noted that though the expression "carries on business" is used in all the three provisions (i.e., section 20 of the Code, section 134(2) of the Trade marks Act, 1999 and section 62(2) of the Copyright Act, 1957), the deeming provision contained in the Explanation in section 20 of the Code has not been expressly incorporated in the other two provisions. But, the Supreme Court has, in the said decision, given the expression "carries on business" used in relation to a corporation in the context of a defendant in section 20 of the Code the same meaning when it is used in relation to a plaintiff under the said sections 134(2) and 62(2). ...”

*“13. It is evident from the above observations that the interpretation given to the expression "carries on business" in the context of a defendant under section 20 of the Code has also been employed in the context of a plaintiff under the said sections 134(2) and 62(2). Thus, 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. Both the latter provisions are in pari materia. **Under these provisions four situations can be contemplated in the context of the plaintiff being a corporation (which includes a company). ... All these four cases are set out in the table below for greater clarity:***

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 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

S.134 (TM Act) & S.62 (Copyright Act) “in addition to” S.20 (CPC)

Burger King Corporation v. Techchand Shewakramani & Ors.

[CS(COMM) 919/2016, decided on 27th August, 2018]

- The Plaintiff filed a suit, under S.134(2) of the Trade Marks Act and S.20 CPC, alleging infringement and passing off of its registered marks “BURGER KING” and “HUNGRY JACK’S” by the Defendant.
- Section 134 (2) lays down that a suit for trademark infringement etc. can be brought before the Court where the Plaintiff resides or carries on business. Section 20 allows for the initiation of suits where the Defendant resides/carries on business *or* where the cause of action arises.
- The Defendant sought rejection of the plaint on the ground of lack of cause of action and lack of territorial jurisdiction of the DHC as the Defendant’s business was in Mumbai.

- The Court concluded that either Section 20 or Section 134 can be invoked when it comes to deciding the forum for initiating a trademark infringement suit.
- The Defendant's application was rejected as the Court found that the Plaintiff made out a cause of action within the territorial jurisdiction of the Court as the Defendant had promoted the impugned mark in Delhi, entertained franchisee queries from Delhi, sought franchise requests through its website and publicly expressed their intention to expand their business across India.

FINDINGS

“16. ... In IPRS v. Sanjay Dalia (supra), the Supreme Court was considering a case where the Plaintiff had filed a suit before the Delhi High Court, invoking Section 134 of the TM Act, on the ground that it had a branch office in Delhi. The Supreme Court in the said judgment observed that Section 62 of the Copyright Act and Section 134 of the TM Act provided an additional forum. ...”

“18. Thus, 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 the Plaintiff can make out a cause of action within the territorial jurisdiction of this Court under Section 20, no reference needs to be made to Section 134.”

“19. What constitutes cause of action in the context of a suit alleging violation of rights in a trade mark, would therefore be the question. In a case involving trade mark infringement, infringement happens when a person “uses in the course of trade” any mark without the owner’s consent. Thus, use of a mark is the cause of action in an infringement as also in a passing off action. If use takes place in a territory where the suit is filed, that Court has the jurisdiction to entertain the suit. When there is use of a mark, there is a cause of action to sue, where the use takes place. It is relevant to point out that “use” of a trademark as per Section 2(2) (c) of the TM Act is as under:

“(2) In this Act, unless the context otherwise requires, any reference –

...

(c) to the use of a mark,-

(i) in relation to goods, shall be construed as a reference to the use of the mark upon, or in any physical or in any other relation whatsoever, to such goods;

(ii) in relation to services, shall be construed as a reference to the use of the mark as or as part of any statement about the availability, provision or performance of such services;”

“24. Applying the above test to the facts of the present case, the Defendants have used the mark in the following manner:

*a) by promoting the mark **Burger King** in Delhi;*

b) by entertaining franchisee queries from the territory of Delhi;

c) by seeking franchise requests through the website theburgerking.in;

d) by openly and publically expressing their intention to expand all across the country including Delhi;

e) by allowing would be franchisees to apply through the website by filling a form.”

Case Law
on
Internet Related Disputes



Banyan Tree Holding (P) Ltd. v. A. Murali Krishna Reddy & Anr.

[CS(OS) 894/2008, decided on 23rd November, 2009]

- The Plaintiff was a company having its registered office at Singapore whereas the Defendants were located in Hyderabad. In 2007, the Plaintiff, who operated spas across India, learnt that the Defendants had initiated work on a project under the name “Banyan Tree Retreat”.
- Finding the same to be a dishonest attempt to encash on the goodwill of the Plaintiff and deceive the general public, the Plaintiff filed a suit for injunction to restrain the Defendants from the use of the said mark and device.
- The Plaintiff’s claimed jurisdiction under S.20 CPC on the ground that the Defendants were operating an interactive website which was accessible in Delhi.
- On reference, a DB of the DHC found that the ld. Single Judge did, in fact, have jurisdiction to adjudicate the dispute.

FINDINGS

“58. We summarise our findings on the questions referred for our opinion as under:

Question (i):** For the purposes of a passing off action, or an infringement action where the Plaintiff is not carrying on business within the jurisdiction of a court, **in what circumstances can it be said that the hosting of a universally accessible website by the Defendants lends jurisdiction to such Court where such suit is filed (“the forum court”)?

Answer:** For the purposes of a passing off action, or an infringement action where the Plaintiff is not carrying on business within the jurisdiction of a court, and in the absence of a long-arm statute, in order to satisfy the forum court that it has jurisdiction to entertain the suit, **the Plaintiff would have to show that the Defendant “purposefully availed” itself of the jurisdiction of the forum court. For this it would have to be prima facie shown that the nature of the activity indulged in by the Defendant by the use of the website was with an intention to conclude a commercial transaction with the website user and that the specific targeting of the forum state by the Defendant resulted in an injury or harm to the Plaintiff within the forum state. ...

...

Question (ii): In a passing off or infringement action, where the defendant is sought to be sued on the basis that its website is accessible in the forum state, what is the extent of the burden on the Plaintiff to prima facie establish that the forum court has jurisdiction to entertain the suit?

Answer: For the purposes of Section 20 (c) CPC, in order to show that some part of the cause of action has arisen in the forum state by the use of the internet by the Defendant the Plaintiff will have to show prima facie that the said website, whether euphemistically termed as “passive plus” or “interactive”, was specifically targeted at viewers in the forum state for commercial transactions. The Plaintiff would have to plead this and produce material to prima facie show that some commercial transaction using the website was entered into by the Defendant with a user of its website within the forum state resulting in an injury or harm to the Plaintiff within the forum state. ...

...

Question (iii): Is it permissible for the Plaintiff to establish such prima facie case through “trap orders” or “trap transactions”?

Answer: The commercial transaction entered into by the Defendant with an internet user located within the jurisdiction of the forum court cannot possibly be a solitary trap transaction since that would not be an instance of “purposeful” availment by the Defendant. It would have to be a real commercial transaction that the Defendant has with someone not set up by the Plaintiff itself. If the only evidence is in the form of a series of trap transactions, they have to be shown as having been obtained using fair means. The Plaintiff seeking to establish jurisdiction on the basis of such trap transactions would have to aver unambiguously in the pleadings, and also place along with it supporting material, to prima facie show that the trap transactions relied upon satisfy the above test.”

World Wrestling Entertainment, Inc. v. M/s Reshma Collection & Ors.
[FAO(OS) 506/2013, decided on 15th October, 2014]

- The Plaintiff was a company incorporated in the USA and the Defendants resided in Mumbai. The Plaintiff sought a permanent injunction against the Defendants for allegedly infringing their copyright and trade marks by selling various garments and apparel bearing the reproductions of the Plaintiff's talents.
- The Plaintiff claimed jurisdiction under S.134(2) of the TM Act and S.62(2) of the Copyright Act, on the ground that the Plaintiffs goods and services are sold to consumers in Delhi through its websites which can be accessed and operated from Delhi.
- A DB of the DHC referred to *Banyan Tree* (supra) and set aside the order of a Id. Single Judge, finding the Defendants to be “*carrying on business*” in Delhi within the meaning of S.134(2) of the TM Act and S.62(2) of the Copyright Act.

FINDINGS

*“21. ... The offers are made by customers at Delhi. The offers are subject to confirmation/ acceptance of the appellant/ plaintiff through its website. The money would emanate or be paid from Delhi. Can it not then be considered that the appellant/ plaintiff is, to a certain extent, carrying on business at Delhi? In our view, it would be so. ... **Because of the advancements in technology and the rapid growth of new models of conducting business over the internet, it is possible for an entity to have a virtual presence in a place which is located at a distance from the place where it has a physical presence.** The availability of transactions through the website at a particular place is virtually the same thing as a seller having shops in that place in the physical world. Let us assume for the sake of argument that the appellant/ plaintiff had a shop in Delhi from where it sold its various goods and services. In that case, it could not be denied that the plaintiff carried on business in Delhi. This is apart from the fact that the appellant/ plaintiff may also have been regarded as having voluntarily resided in Delhi. **When the shop in the ‘physical sense’ is replaced by the ‘virtual’ shop because of the advancement of technology, in our view, it cannot be said that the appellant/ plaintiff would not carry on business in Delhi.**”*

Millennium & Copthorne Intl, Ltd. v. Aryans Plaza Serv. Pvt. Ltd. & Ors.
[CS(COMM) 774/2016, decided on 5th March, 2018]

- The Plaintiff – Millennium & Copthorne International Ltd., a company based out of Singapore, filed a suit against the Defendants to restrain them from infringing the Plaintiff's trademark “*MILLENNIUM*” by running a hotel and resort under that name.
- The primary question before the Court was **whether it had the territorial jurisdiction to entertain the suit given that the registered office of the Defendants, as well as the hotels and resorts of the Defendants, were outside the Court's jurisdiction.**
- On the basis of extracts of the Defendants’ website which indicated that the Defendants operated in Delhi and the fact that the Defendants’ services could be booked from Delhi, the Court found that there was a specific targeting of customers in Delhi and hence, the Court had jurisdiction to entertain the suit.

FINDINGS

“24. In continuation of what was held by the Division Bench in World Wrestling Entertainment, Inc., I may state that the mode of booking/reserving rooms and other facilities particularly of dining therein, in hotels/resorts/spas, has changed over the years with maximum number of bookings/reservations being made through such third party websites, so much so that the rates available on the third party websites are also found to be considerably lower than the rates offered through traditional mode of agents or offices in major cities. Judicial notice can be taken of the fact that much of the volume of businesses of hotels is now through such third party websites, in comparison to the business through direct bookings and/or through travel agents. Thus, if the Courts at Delhi will have jurisdiction over subject matter of suit owing to defendants having interactive website accessible at Delhi and enabling defendants situated outside Delhi to carry on business at Delhi, I see no reason to hold that it will not be so where the defendants, instead of hosting its own interactive website, avails the service of third party websites to carry on business at Delhi. ...

“...There is no rationale for carving out such a distinction. Certainly, making a booking/reservation, even if the same does not subsequently materialise, is part of carrying on business, inasmuch as the hotel which has taken the booking, even if has not received any payment, being unable to turn back a customer if shows up in pursuance to such booking. The defendants, by showing on their websites, their location to be at Delhi, are also found to be attracting and luring the customers, otherwise intending to visit Delhi, into believing that the hotels and resorts of the defendants are at Delhi, though actually, territorially speaking, outside Delhi. The defendants, cannot be permitted to take different stand/position while carrying on business than before this Court. In any case, such acts of the defendants amount to specifically targeting the viewers at Delhi, within the meaning of Banyan Tree Holding (P) Ltd. supra.”

“26. ... the test evolved in Banyan Tree Holding (P) Ltd. supra, that —the jurisdiction of the forum State does not get attracted merely on the basis of the interactivity of the website which is accessible in the forum State... where the plaintiff is not located within the jurisdiction of the Court, the injurious effect on plaintiff’s business, goodwill or reputation within the forum State as a result of defendant’s website being in the forum State would have to be shown ...to show that the injurious effect has been felt by the plaintiff it would have to be shown that viewers in the forum State were specifically targeted...therefore the —effects test would have to be applied in conjunction with the —sliding scale test to determine if the forum Court has jurisdiction to try a suit concerning internet based disputes, was evolved after surveying the law as it had developed in different jurisdictions ...

“26. ...The ‘effects test’ and the ‘sliding scale test’ came to be evolved by the US Courts in interpretation of the Due Process clause in the 14th Amendment to the United States Constitution permitting personal jurisdiction over a defendant in a state with which the defendant has certain minimum contacts such that the maintenance of the suit does not offend traditional notions of fair play and substantial justice, as held in Calder supra. ...

27. However, the law relating to territorial jurisdiction in India is codified, generally for all suits, in Sections 15 to 20 of the Code of Civil Procedure, 1908 and for suits relating to trade marks, in the Trade Marks Act, 1999.

...

29. It will thus be seen that all that a plaintiff in a suit for infringement of trade mark or for passing off and for ancillary reliefs including of compensation with respect thereto is required to plead and show to invoke the jurisdiction of any Court, is that wrong was done to it within the local limits of the jurisdiction of that Court and wherein the cause of action would axiomatically accrue to the plaintiff and/or that the cause of action, in whole or in part accrued within the jurisdiction of that Court.”

Juggernaut Books Pvt. Ltd v. Ink Mango Inc. & Ors.

[CS(COMM) 421/2019, decided on 9th August, 2019]

- The Plaintiff - Juggernaut Books Pvt. Ltd., was a publisher of books and e-books by various well-known authors through a web-based software which is accessible from computers and smart phones on its platform - 'www.juggernaut.in'.
- The Plaintiff brought a suit seeking an *ex parte* permanent injunction restraining infringement of trademark against the Defendants for using the Plaintiff's registered trademark for providing identical services.
- Even though the Defendants were residents of a foreign country, the Court found that it had the jurisdiction to entertain this matter as the Defendants had purposefully availed of the Court's jurisdiction. The Court granted a permanent injunction against the Defendants and also directed blocking of the Defendants' website.

FINDINGS

“20. As per the judgment in Banyan Tree (supra) and other judgments relied upon by the Plaintiff, if an internet based platform targets a particular jurisdiction or uses a mark in a particular jurisdiction, in relation to goods or services for which the mark is registered, there is infringement of trade mark and passing off. ... Ld. Counsel for the Plaintiff submits that the historian Mr. William Darlymple works out of Delhi for a considerable portion of the year. The email of the Defendant has been written to Mr. Darlymple. The articles that are published have a close connection with India and thus there is specific targeting of India and India-based customers. Subscription is being offered and can be obtained by any customer based in Delhi or in any other part of India. The Plaintiff’s registered office is also in Delhi. By way of example documents have been placed on record to demonstrate that subscriptions can be taken for the Defendants’ platform, by customers based in Delhi. Thus, there is purposeful availment of Delhi and the Defendants are clearly carrying on business in Delhi. The cause of action has also arisen in Delhi.”

UTV Software Communication Ltd. & Ors. v. 1337X.TO & Ors.
[CS(COMM) 724/2017, decided on 10th April, 2019]

- The Plaintiffs were companies that created content and produced and distributed cinematographic films around the world, including in India.
- The Plaintiffs sought an *ex parte* injunction restraining infringement of their copyright by the Defendants who were allegedly communicating the Plaintiff's original content/cinematographic films to the public without authorization.
- Finding the Defendants' websites to be "rogue websites", the Court passed a decree of permanent injunction restraining the Defendants from hosting, streaming, reproducing, distributing, making available to the public and/or communicating to the public any cinematograph work/content/programme/show, in relation to which the Plaintiffs had a copyright. ISPs were also directed to block access to the Defendants' websites.

FINDINGS

“58. Music and film piracy are primarily facilitated on the net by FIOs or Rogue Websites. They are those websites which primarily and predominantly share infringing/ pirated content or illegal work (See: Para 2 of Order dated 29.07.2016 in DEITY Vs. Star India Pvt. Ltd, FAO (OS) 57/2015). Either these websites, themselves allow streaming of content or provide a searchable database with links to third-party FIOs. The Registrant details of these websites are unknown and any or all contact information is masked/blocked. Even the Ad Networks employed on these websites are not run-of-the-mill popular networks, but obscure Ad Networks, with equally anonymized credentials. These websites invite consumers for watching free movies/contents. Although, some of these websites feebly claim to only provide links to third party websites and not host content on their servers, yet their entire module/interface is premised on allowing users to watch pirated releases/movies by way of links, and which account for all the content available on their sites.”

“94. Now, the question that arises for consideration is ...how should courts deal with ‘hydra headed’ websites who on being blocked, actually multiply and resurface as alphanumeric or mirror websites. ...

97. Internationally, there has been some recent development to deal with the aforesaid menace in the form of a "Dynamic Injunction" though limited to mirror websites.

...

99. Though the dynamic injunction was issued by the Singapore High Court under the provisions of Section 193 DDA of the Singapore Copyright Act, and no similar procedure exists in India, yet in order to meet the ends of justice and to address the menace of piracy, this Court in exercise of its inherent power under Section 151 CPC permits the plaintiffs to implead the mirror/redirect/alphanumeric websites under Order I Rule 10 CPC as these websites merely provide access to the same websites which are the subject of the main injunction.”

ARBITRABILITY
of
INTELLECTUAL PROPERTY
RIGHTS

INTRODUCTION

- Legal claims arising from IP licensing and other commercial transactions are essentially “*in personam*” disputes - nothing exists under Indian law which ousts such disputes from arbitration.
- Arbitration can avoid parallel litigations and has inherent advantages in dealing with commercial disputes in respect of flexibility, confidentiality & finality.
- IP arbitrations are rare because IP disputes frequently do not involve a pre-existing contractual relationship and arbitration requires a contractual agreement to arbitrate.
- Under the recently amended Arbitration and Conciliation Act, 2015 an application for setting aside the arbitral award shall be disposed of expeditiously and in any event within a period of one year from the date on which the notice is served upon the other party [Section 34(6)]

Eros International Media Limited v. Telemax Links India Pvt. Ltd., (2016) 6 Bom CR 321

- The Bombay High Court, on an application under Section 8 of the Arbitration and Conciliation Act, 1996, held that **IP disputes arising out of an agreement are arbitrable if such agreement contains an arbitration clause**. The Court passed the order in favour of Telemax and held that:
 - Provisions of the Copyright Act and the (Indian) Trade Marks Act, 1999 (Trademarks Act) do not oust the jurisdiction of an arbitral panel;
 - Although IP rights are special rights, they are still a species of property rights and share much with their more tangible cousins to whom acts such as the Sale of Goods Act, 1930 or the Transfer of Property Act, 1882 apply; and
 - Eros' action is *in personam* as it is seeking a particular relief against a particular defined party.