

**(1999) 03 BOM CK 0109**

**In the Bombay High Court**

**Case No :** Miscelleneous Petition Lodging No. 446 of 1999 in Suit No. of 1999

M/s. Arte Indiana

APPELLANT

Vs

M/s. P. Mittulaul Lalah and Sons

RESPONDENT

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**Date of Decision :** 23-03-1999

**Acts Referred:**

Civil Procedure Code, 1908 (CPC) — Section 120, 16, 17, 20

Copyright Act, 1957 — Section 62(2)

Trade and Merchandise Marks Act, 1958 — Section 78, 79

**Citation :** (1999) 4 BomCR 233

**Hon'ble Judges :** F.I. Rebello, J

**Bench :** Single Bench

**Advocate :** Virendra v. Tulzapurkar, S. Shah and Hemang Engineer, instructed by Gordhandas and Fozdar, for the Appellant; H.W. Kane, Rahul Kadam and Rahul Chitnis, instructed by y H.W. Kane and A.V. Gopalkrishnan, for the Respondent

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## **Judgement**

F.I. Rebello, J.—The plaintiffs have moved this Court for leave under Clause 14 of the Letters Patent.

2. Clause 14 reads as under :-

"14. And we do further ordain that where plaintiff has several causes of action against a defendant, such causes of action not being for land or other immovable property, and the said High Court shall have original jurisdiction in respect of one of such causes of action, it shall be lawful for the said High Court to call on the defendant to show cause why the several causes of action should not be joined together in one suit, and to make such order for trial of the same as to the said High Court shall seem fit."

From the facts on record it is an admitted position that there has been no infringement of the Trade and Merchandise Marks Act, in respect of the Trade Mark which the plaintiffs claim within the territorial jurisdiction of this Court. The contention of the plaintiffs, however, is that sub-section (2) of section 62 of the Copyright Act, 1957 permits the plaintiffs in case of infringement of Copyright

Act, to sue at the place where the plaintiffs actually and voluntarily resides or carries on business or personally work for gain. The plaintiffs have their office and carry on business within the jurisdiction of this Court. The plaintiffs have approached this Court on the ground that defendant No. 1 is marketing certain products in violation of its Copyright under the Copyright Act as also Trade Mark obtained by them under the Trade and Merchandise Marks Act. The defendant No. 1 has its place of business at Chennai. The products are manufactured and exported from Chennai to Kuwait wherein the defendant No. 2 carries on business and according to the plaintiffs where the products are sold by the defendant No. 2. The printing and packaging of products is also done at Chennai. It is, therefore, contended that once the plaintiffs by virtue of sub-section (2) of section 62 of the Copyright Act has a right to sue, by virtue of Clause 14 of the Letters Patent they be permitted to sue in respect of other causes of action also. Learned Counsel for that purpose has relied on the judgment of the Single Judge of this Court in the case of *Burroughs Wellcome (India) Ltd. v. G.K. Sharma & King Scientific Research Centre*, 1989 I.P.L.R. 60 and unreported judgment of the Division Bench of this Court dated 10th June, 1994, in the case of *Gold Seal Engineering Products Pvt. Ltd. and ors. v. Hindustan Manufacturers & Ors.* It is further submitted that these two Judgments will concluded the issue. In the case of *Gold Seal Engineering Products Pvt. Ltd. (supra)* the learned Single Judge had rejected the application for leave though the Court had come to the conclusion that in so far as the Copyright Act is concerned this Court would have had jurisdiction. Reversing the Judgment, the Division Bench held that once the Court came to the conclusion the plaintiffs could sue before this Court under the Copyright Act, in order to avoid multiplicity of proceedings and also hardship and cost of litigation, in the ordinary course leave ought to have been granted and consequently granted leave to sue under Clause 14 of the Letters Patent. It may be mentioned that respondent No. 3 was carrying on business in Mumbai and selling goods manufactured by respondent Nos. 1 and 2. Similarly, in the case of *Burroughs Wellcome (India) Ltd. (supra)* the defendants were apart from other places carrying on business within the jurisdiction of this Court.

3. On the other hand on behalf of the defendant No. 1 it is contended that a close reading of Clause 14 would indicate that at least one of the causes of action must have arisen within the Ordinary Original Jurisdiction of this Court. It is pointed out that the Copyright Act is a special Act. The right to sue has been conferred by virtue of sub-section (2) of section 62 of the Copyright Act. This right to sue therefore is not in the ordinary course of the Original Jurisdiction of this Court but conferred by statute. It is further pointed out that this was not in issue in both the judgments cited on behalf of the plaintiffs which have been referred to hereinabove.

On behalf of the defendant No. 2 it is contended that the right which falls under the Copyright Act is only within the territorial jurisdiction of India. The defendant No. 2 carries on business outside India. Therefore, the defendant No. 2 cannot be sued in India. For that purpose, learned Counsel has placed reliance on the

judgment of the High Court of justice, Chancery Division in the case of Def Lepp Music and ors. v. Stuart-Brown and ors. (1986) R.P.C. 273. That was the case under the English Copyright Act wherein it was held that as the territorial jurisdiction of the act was conferred to the United Kingdom, it was only acts done in the United Kingdom which would constitute infringement either direct or indirect of such right and consequently any infringement outside United Kingdom would not give a Court in England jurisdiction.

With the above background, the matter can now be disposed of.

4. Section 120 of the CPC sets out that sections 16, 17 and 20 would not apply to a High Court in the exercise of its Original Civil Jurisdiction. Section 16 provides that suits are to be instituted where the subject matter is situate. Section 17 provides where suits for wrong to Immovable property if situated within the jurisdiction of different courts can be instituted in any of the courts where part of the Immovable property is situated. Section 20 is provision which provides for suing in certain circumstances. Therefore, by virtue of section 120 of the CPC the place of suing will be determined otherwise than what is provided for under sections 16, 17 and 20. Clause 12 of the Letters Patent is being reproduced below as it relevant to answer the point that has to be decided namely whether the right to sue claimed by the plaintiff by virtue of sub-section 2 of section 62 is in respect of the exercise of its Ordinary Original Civil Jurisdiction. Clause 12 of the Letters Patent reads as under :-

"12. And we do further ordain, that the said High Court of Judicature at Bombay in the exercise of its ordinary original civil jurisdiction, shall be empowered to receive, try and determine suits of every description, if, in the case of suits for land or other immovable property, such land or property shall be situated, or in all other cases if the cause of action shall have arisen, either wholly, or, in case the leave of the Court shall have been first obtained, in part, within the local limits of the ordinary original jurisdiction of the said High Court, or if the defendant at the time of the commencement of the suit shall dwell, or carry on business, or personally work for gain within such limits; except that the said High Court shall not have such original jurisdiction in cases falling within the jurisdiction of the Small Causes Court at Bombay or the Bombay City Civil Court." .

It is, therefore, clear that this Court in the exercise of its Ordinary Original Jurisdiction is empowered to receive, try, and determine suits where the cause of action is as follows. In the case of suits for land or other immovable property, where such land or property shall be situated within its jurisdiction. In all other cases if the cause of action shall have arisen either wholly or, in case the leave of the Court shall have been first obtained, in part, within the local limits of the Ordinary Original Jurisdiction of the Court, or if the defendant at the time of the commencement of the suit shall dwell, or carry on business, or personally work for gain within such limits; except that the said High Court shall not have such Original Civil Jurisdiction in cases falling within the jurisdiction of the Small

Causes Court or City Civil Court.

What emerges from this is that Clause 12 of the Letters Patent, other than in cases of land or other Immovable property (where land or Immovable property is situated) requires that the whole cause of action must arise within the jurisdiction of this Court or atleast a part of the cause of action must arise within the jurisdiction of this Court and leave has been first obtained to sue in this Court or the defendant resides or carries on business. In order to maintain a suit the first requirement is that the Court must have territorial jurisdiction. Clause 11 of the Letters Patent defines the limit of territorial jurisdiction of this Court. The second aspect is that the cause of action must arise within the jurisdiction of this Court. That is covered by Clause 12 of the Letters Patent. Clause 14 provides that leave can be granted by this Court for joinder of causes of action provided one of such causes of action has arisen within the jurisdiction of this Court. It is an admitted position in so far as the facts in the present case are concerned that the defendants do not reside or carry on business within the territorial jurisdiction of this Court. The subject matter is not situated within the jurisdiction of this Court. The infringement of the Copyright or Trade Marks has taken place outside the territorial jurisdiction of this Court. The goods are being sold outside the territorial limits of this Court. In other words reading of Clauses 11 and 12 of the Letters Patent it would be clear that no part of the cause of action has arisen within the jurisdiction of this Court.

Having said so, let me now consider more elaborately the Judgments cited to find out whether the point canvassed was in issue in the said Judgments and has been concluded by the Judgments referred to. Needless to say that it can be said to be the ratio decidendi of the Judgment if these tests amongst others are met. The matter must have been directly in issue: the issue need to have been decided and reasons have been given while answering the issue.

In the case of Burroughs Wellcome, (India) Ltd. (supra), the plaintiffs had taken out a Misc. Petition No. 13 of 1989 for seeking leave under Clause 14 of the Letters Patent. The petition was accepted on the same day and notice was issued to the defendants and direction was given that the petition which was being decided should be heard alongwith the Notice of Motion. The Notice of Motion which was being decided was in respect of a prayer for interim relief sought for by the plaintiffs against the defendants. A preliminary objection was raised on behalf of the defendants that the Court had no jurisdiction to entertain and grant the relief. Therein the defendant No. 1 carried on business at Kota - Rajasthan and also in Kandivali (West), Bombay. The defendant No. 2 also carried on business at Kota - Rajasthan and at Kandivali (West), Bombay. The defendant were manufacturing tablet preparations under the trade mark CETRAN and packed in strip packing which was in turn packed in cartons. The cartons and strips packing bore the get-up colour scheme and scheme of arrangement which was deceptively similar to the get-up, colour scheme and scheme of arrangement used by the plaintiffs for their product "SEPTRAN". It was also contended by the

plaintiffs that word "CETRAN" is a flagrant imitation of the plaintiffs' registered trade mark "SEPTRAN". It was on those facts that the learned Judge granted leave. The issue whether it was in the course of the Ordinary Original Jurisdiction was neither in issue nor decided. The second Judgment on which reliance was placed is the unreported judgment in the case of Gold Seal Engineering Products Pvt. Ltd. (supra). The learned Single Judge of this Court had rejected leave under Clause 14. The learned Single Judge had come to the conclusion that in respect of the copyright the suit was maintainable before this Court. However, for various reasons leave was refused even though the Court held that in respect of the infringement of copyright the suit could be maintained. Against the refusal an appeal was preferred. The Division Bench whilst disposing of the appeal observed as under :---

"The Court should endeavour to avoid multiplicity of litigation and more so in the present case when the parties have incurred substantial expenses and the matter was heard before the trial Court on more than eight days. The litigation in this Court is extremely expensive and it is desirable that a practical view is taken and parties are not driven from Court to Court on technicalities. In our Judgment, Clause 14 of the Letters Patent is enacted to sub-serve this purpose and the trial Judge was entirely in error in refusing to grant leave on assumption that the conduct of the appellant was not bona fide. It is always easy to find faults with the parties but the Court must always bear in mind that the parties incur large expenses and are desirous of securing decision on merits of the claim and not on technicalities."

The Court did not decide the issue whether there was infringement of Trade Marks within the territorial jurisdiction in respect of which the Single Judge had held that there was no cause of action. On facts there, as already set out earlier the defendants were carrying on business within the territorial jurisdiction of this Court.

Having found that the cause of action in so far as the copyright was maintainable, the Division Bench of this Court granted leave as sought for by the plaintiffs therein. Again, it is clear that the issue involved here was neither in issue nor had arisen before the Division Bench nor was it decided.

It is, therefore, clear that the said issue was not in issue nor has been decided in either of the said two judgments cited before me. It is also clear from the facts on record and considering Clause 12 of the Letters Patent, the present suit could not ordinarily be filed before this Court.

5. The Copyright Act was enacted by Parliament and published in the Gazette of India, extra ordinary part II Vide Notification No. SRO-269 dated 21st January, 1958. In other words, until the Copyright Act was enacted, the right to sue as conferred by sub-section (2) of section 62 was not a part of the Ordinary Original Jurisdiction of this Court. Plaintiffs, therefore except for the provisions of the Act could not have sued for infringement of copyright by virtue of the Letters Patent

where they resided or carried on business. It is only by virtue of the special enactment that a right in a copyright has been created and the plaintiff can maintain a suit before this Court. In other words, the right to sue is neither by virtue of Clauses 11 or 12 of the Letters Patent but by virtue of the special enactment. If that be so, can it be said that this was a part of the Ordinary Original Jurisdiction as provided for by the Letters Patent. If the right to sue has been conferred by an Act of Parliament and it is because of conferring of such right that a suit can be maintained, then it cannot be said that the right to sue is pursuant to the Ordinary Original Jurisdiction of this Court as conferred by the Letters Patent. This must follow from the plain and literal meaning of the Clause. The expression "Ordinary Jurisdiction" has been used to distinguish it from the extra-ordinary jurisdiction conferred by Clause 13 of the Letters Patent. Therefore, leave to sue, for being granted atleast a part of the cause of action must fall within the territorial jurisdiction of this Court. Section 62(2) of the Copyright Act is not a part of the expression "cause of action" but it is a right conferred by statute to a plaintiff to maintain a suit where he resides or carries on business. The submission on behalf of the defendant No. 1 will therefore have to be accepted that as no part of the cause of action having arisen within the territorial jurisdiction of this Court, leave sought for cannot be granted. In that light of the matter, the leave as sought for has to be rejected.

6. That leaves us with the other contention raised on behalf of the defendant No. 2. In view of the fact that I am refusing leave as no part of the cause of action has arisen within the jurisdiction of this Court, I need not decide and deal with the second contention as raised by the defendant No. 2.

7. In the light of that application for leave rejected.

8. Issuance of certified copy expedited.

9. Application rejected.