CHAPTER: 6: EMERGING JUDICIAL TRENDS

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THE FRAME

Protection and enforcement of rights over property have always been one of the most significant purposes for any legal system. The State with appropriate legislative framework strives to fulfil this objective. The rights over property are prescribed in the legal framework of a country. However, the rights as provided through the black letter of Law cannot be realised without judicial intervention for its enforcement. Thus, the role of judiciary cannot be undermined for enforcement of such rights and Intellectual Property Rights are no exception to that. Active participation on part of judiciary is desirable for strengthening the protection of Intellectual Property Rights.

THE FOCUS

In the recent past India has witnessed a significant evolution in IP laws. The contribution of judicial decisions in this process cannot be overlooked. The case laws enumerates the complexity of issue and highlights the difficulties that are being faced in cases of compartmentalised jurisdiction leaving to multifaceted incidental issues. It may be seen that the researcher for this reason used the word ‘complex’ in the hypothesis.

In this chapter the researcher has made an attempt to analyse judicial decisions on applicability of rules of jurisdiction in case of trademark violations in India. A specific endeavour is made to understand the India judicial approach in actual cases of trademark violations. The legislative framework provides for the black letter of law on trademark protection, which cannot be understood in proper perspective without judicial interpretation of the same. It is worthy to mention that it is neither practical nor necessary to narrate all the reported cases on the issue. Selected cases are taken as they convey the main principles that are relevant to the research framework. Further to ensure that the focus of the research is not lost the researcher has tried her best to explain only the relevant aspect of the judgment leaving the ancillary issues aside.

THE OBJECTIVE

In order to understand the judicial approach on jurisdictional issues relating to trademark violations, decisions of the Apex court and various high courts are analysed. The researcher
will try to understand the judicial outlook towards trademark violations in physical as well as virtual world in this chapter. The creative and progressive intervention of the judiciary in the matters involving more than one state will also be the subject matter of this chapter. The chapter further tries to address the question of judiciary lagging behind in meeting the demands of the technocrat society.

6.1 ANALYSIS OF JUDICIAL DECISIONS OF SUPREME COURT AND VARIOUS HIGH COURTS ON JURISDICTIONAL ISSUES IN TRADEMARK VIOLATIONS:

1) DHODHA HOUSE V. S.K.MAINGI

- BRIEF FACTS :

The main issue for consideration before the Apex court in this case was the Extent of jurisdiction of a civil court to determine a lis as regarding infringement of the provision of the Copyright Act, 1957 and the Trade and Merchandise Marks Act, 1958. In this case there were two civil appeals before the Apex court.

First Civil Appeal : Brief Facts

The Appellant filed a suit against the respondent to protect his copyright, trademark and common-law rights with regard to his art work, label, trademark and wrapper. According to the Appellant, the said art work, label, Trade Mark and wrapper infringes the Appellant's Trade Mark registration 'Dhodha House' under Registration No. 277714-B in class 30 under the Trade and Merchandise Marks Act, 1958, as also copyright registered under the Copyright Act, 1957 being registration No. A-5117 and A-5330 of 1970. The Appellant also claims it to be a prior user of the said trade mark and name and enjoys goodwill as well as reputation in respect thereof since 1960. Further, the Appellant carries on business of sweet meats in the district of Ghaziabad whereas the Respondent carries on the similar business in the name and style of M/s. V.R.K. Todha Sweet House at Kotkapura in the district of Faridkot.

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1 AIR 2006 SC 730.
The Appellant filed a suit before the District Judge, Ghaziabad praying for injunction which was granted by the learned 1st Additional District Judge, Ghaziabad. The respondent feeling aggrieved approached the High Court, Allahabad. The High Court rejected to entertain the appeal on the grounds of lack of territorial jurisdiction. Against this order, the Appellant approached the Supreme Court.

Second Appeal: Brief Facts

Both the Plaintiff and Appellants carry on business in diesel engines at Rajkot in the State of Gujarat. A suit on the original side of the Delhi High Court was filed for perpetual injunction restraining infringement of Trade Mark, copyright, trading style, passing off and for rendition of accounts. The Plaintiff has registered a Trade Mark 'Field Marshal'. Its label 'Field Marshal' is said to be registered also under the Copyright Act, 1957 and it had been printing/publishing the said purported artistic work titled 'Field Marshal' in all its trade literatures, pamphlets, stickers, calendars, diaries, etc. as also on the goods manufactured. According to the plaintiff, the First Defendant has been registered under the Companies Act and it proposed to start a business in the trading style of 'Field Marshal' for the business of the goods of same kind and description where for caution notice had been issued by it. It also sent letter to the Registrar of Companies objecting to the incorporation of the said company containing the word 'Field Marshal' or identical or deceptively similar thereto. It is alleged that goods manufactured by the Appellants with the Plaintiff's Trade Marks are being sold in Delhi.

- MAIN CONTENTIONS/ISSUES:

The main issue was whether causes of action in terms of both the Copyright Act, 1957 and the Trade and Merchandise Marks Act, 1958 although may be different, would a suit be maintainable in a court only because it has the jurisdiction to entertain the same in terms of Section 62(2) of the Copyright Act, 1957?

In both the cases before the Allahabad High Court and Delhi High Court the issue of jurisdiction was the key. The Allahabad High Court held that the civil court lacked the territorial jurisdiction. However, a contradictory view was taken by the Delhi High Court holding that it had jurisdiction. These contradictory views were before the Supreme Court. Though the Trade and Merchandise Marks Act, 1958 is not in force, the matters before the court where filed under the provisions of the old Act. Hence the same is referred. 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. Determination of territorial jurisdiction of a civil court is governed by the provisions of the Code of Civil Procedure, 1908.

• COURT’S DECISION:

The said question on whether causes of action in terms of both the Copyright Act, 1957 and the Trade and Merchandise Marks Act, 1958 although may be different, would a suit be maintainable in a court only because it has the jurisdiction to entertain the same in terms of Section 62(2) of the Copyright Act, 1957 was answered negatively by the court. The court very clearly held that jurisdiction of the Court to determine a lis under Copyright Act, 1957 as also the Trade and Merchandise Marks Act, 1958 must, thus, be instituted where the whole or a part of cause of action arises. Sub-section (2) of Section 62 of the Copyright Act, 1957 provides for an additional forum for filing of suit at a place where the plaintiff resides or carries on business. Admittedly, no such additional forum had been created in terms of the provisions of the Trade and Merchandise Marks Act, 1958. The objects and reasons for engrafting the said provision show that the same was done to enable the authors to file a suit for violation of the Copyright Act, 1957 at the place where they reside. Submission made at the Bar, however, is that there may be cases which give a composite cause of action for initiating action both under the Copyright Act, 1957 as also under the Trade and Merchandise Marks Act, 1958. Reliance, in this behalf, has been placed on a definition of "mark" as contained in Section 2(j) of the Trade and Merchandise Marks Act, 1958, to urge that artistic work within the meaning of the Copyright Act, 1957 is also a 'mark' within the meaning thereof and, thus, different causes of action arising under both the Acts can be combined. Reference, furthermore, has been made to Section 105 of the Trade and Merchandise Marks Act, 1958 to show that reclassification in respect of existing registration is permissible. Further the court very significantly opined that the Parliament while enacting the Trade and Merchandise Marks Act in the year 1958 was aware of the provisions of the Copyright Act, 1957. It still did not choose to make a similar provision therein. Such an omission may be held to be a conscious action on the part of the Parliament. The intention of the Parliament in not providing for an additional forum in relation to the violation of the Trade and
Merchandise Marks Act, 1958 is, therefore, clear and explicit. The Parliament while enacting the Trade Marks Act, 1999 provided for such an additional forum by enacting sub-section (2) of Section 134 of the Trade Marks Act. The court shall not, it is well well-settled, readily presume the existence of jurisdiction of a court which was not conferred by the statute. For the purpose of attracting the jurisdiction of a court in terms of sub-section (2) of Section 62 of the Copyright Act, 1957, the conditions precedent specified therein must be fulfilled, the requisites wherefore are that the plaintiff must actually and voluntarily reside to carry on business or personally work for gain.

The court while deciding the matter held that the main concern in this case is not the maintainability of a composite suit both under the Copyright Act, 1957 and the Trade and Merchandise Marks Act, 1958. Indisputably, if such a situation arises, the same would be permissible. However, the same may not be relevant for the purpose of determining the question of a forum where such suit can be instituted. The court further in paragraph 19 held that Order II Rule 3 of the Code provides that the plaintiff may unite in the same suit several causes of action against the same defendant, or the same defendants jointly. The said order contemplates uniting of several causes of action in the same suit. By necessary implication, a cause of action for infringement of Copyright and a cause of action for infringement of Trade Mark or a cause of action of passing off would be different. Even if one cause of action has no nexus with another, indisputably Order II Rule 3 may apply. However, 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 Copyright Act, 1957 as also the Trade and Merchandise Marks Act, 1958. Regarding cause of action the court held that it will arise only when a registered Trade Mark is used and not when an application is filed for registration of the trade mark. A suit may lie where an infringement of Trade Mark or copyright takes place but a cause of action for filing the suit would not arise within the jurisdiction of the court only because an advertisement has been issued in the Trade Marks Journal or any other journal, notifying the factum of filing of such an application. In the event, the averments in the plaint disclose a cause of action under the Copyright Act, indisputably, the same would survive but if the cause of action disclosed is confined only to infringement of Trade and Merchandise Act, or of passing off an action, the suit would not be maintainable.
On the key issues of determining jurisdiction the Court in para. 48 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, 1908, 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. This particular decision of the Supreme Court has unfolded the intricacies involved in applying the phrase ‘carries on business’ and ‘personally works for gain’ for determining jurisdiction. The court elaborately discussed these terms in the following words:

“The expression ‘carries on business’ and the expression ‘personally works for gain’ connotes two different meanings. For the purpose of carrying on business only presence of a man at a place is not necessary. Such business may be carried at a place through an agent or a manager or through a servant. The owner may not even visit that place. The phrase ‘carries on business’ at a certain place would, therefore, mean having an interest in a business at that place, a voice in what is done, a share in the gain or loss and some control there over. The expression is much wider than what the expression in normal parlance connotes, because of the ambit of a civil action within the meaning of section 9 of the Code. But it is necessary that the following three conditions should be satisfied, namely:-

“(1) The agent must be a special agent who attends exclusively to the business of the principal and carries it on in the name of the principal and not a general agent who does business for any one that pays him. Thus, a trader in the mufassil who habitually sends grain to Madras for sale by a firm of commission agents who have an independent business of selling goods for others on commission, cannot be said to “carry on business” in Madras. So a firm in England, carrying on business in the name of A.B. & Co., which employs upon the usual terms a Bombay firm carrying on business in the name of C.D. & Co., to act as the English firm’s commission agents in Bombay, does not “carry on business” in Bombay so as to render itself liable to be sued in Bombay.
(2) The person acting as agent must be an agent in the strict sense of the term. The manager of a joint Hindu family is not an “agent” within the meaning of this condition.

(3) To constitute “carrying on business” at a certain place, the essential part of the business must take place in that place. Therefore, a retail dealer who sells goods in the mufassil cannot be said to “carry on business” in Bombay merely because he has an agent in Bombay to import and purchase his stock for him. He cannot be said to carry on business in Bombay unless his agent made sales there on his behalf. A Calcutta firm that employs an agent at Amritsar who has no power to receive money or to enter into contracts, but only collects orders which are forwarded to and dealt with in Calcutta, cannot be said to do business in Amritsar. But a Bombay firm that has a branch office at Amritsar, where orders are received subject to confirmation by the head office at Bombay, and where money is paid and disbursed, is carrying on business at Amritsar and is liable to be sued at Amritsar. Similarly a Life Assurance Company which carries on business in Bombay and employs an agent at Madras who acts merely as a Post Office forwarding proposals and sending moneys cannot be said to do business in Madras. Where a contract of insurance was made at place A and the insurance amount was also payable there, a suit filed at place B where the insurance Co. had a branch office was held not maintainable. Where the plaintiff instituted a suit at Kozhikode alleging that its account with the defendant Bank at its Calcutta branch had been wrongly debited and it was claimed that that court had jurisdiction as the defendant had a branch there, it was held that the existence of a branch was not part of the cause of action and that the Kozhikode Court therefore had no jurisdiction. But when a company through incorporated outside India gets itself registered in India and does business in a place in India through its agent authorized to accept insurance proposals, and to pay claims, and to do other business incidental to the work of agency, the company carries on business at the place of business in India.

Thus, the court specifically 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
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Procedure, 1908; 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. For the reasons aforementioned, civil Appeal No. 6248 of 1997 filed by M/s Dhodha House is dismissed and civil Appeal No. 16 of 1999 preferred by M/s Patel Field Marshal is allowed.

- RESEARCHER’S OBSERVATIONS:

The present case deals with the jurisdictional provisions in case of copyright and Trade Mark infringement/passing off. The Supreme Court while considering two contradictory views on the composite suit to be filed discussed elaborately the relevant provisions under s. 62 of the copyright Act, 1957, the earlier Trade and Merchandise Marks Act, 1958 and s. 20 of the Code of Civil Procedure, 1908. The terms ‘carries on business;’ and ‘works for personal gain’ are very well explained which in future will make the application of same to real life situation easy.

2) SARANYA ZAVERI AND ANR. V. KAMADON ACADEMY P. LTD.²

- BRIEF FACTS:

Petitioner, defendant in a suit filed under Section 134 of Trade Marks Act, 1999 and Section 62(2) of Copyright Act, 1957 for a declaration that plaintiff is the exclusive owner and proprietor of the marks Kamadon and Melchizedek method of meditation technique and its innumerable logos etc., filed writ petition under Article 227 challenging dismissal of their petition to reject the plaint on the ground of lack of territorial jurisdiction. In essence the right that is claimed by the plaintiff-company is the exclusive right over the Melchizedek method of meditation said to have been founded and perfected by the late Brian Terril, spiritually known as Alton Kamadon. Subsequently inherited by his son and legal heir Scott Terril, who is claimed to have incorporated the plaintiff-company, viz., Kamadon Academy Proprietary Ltd., Australia, represented by its power of attorney Philip T. Paul residing at 33 of 2087, Sreekala Road, Vennala, Kochi-28.

² 2008 (38) PTC 554 (Ker).
• MAIN CONTENTIONS/ISSUES:
The main contention of the petitioners was that Philip T. Paul who has signed and verified that plaint had no authority to institute the suit. Further, power of attorney deed dated June 2, 2005, could not be treated as a valid document authorizing the said Philip T. Paul to conduct proceedings on behalf of the Australian Company, Kamadon Academy Proprietary Ltd. and that since both the defendants are permanently residing at Chennai and so described in the plaint and there was no allegation that the defendants had committed any of the alleged acts within the limits of the Ernakulam court, the court at Ernakulam has no territorial jurisdiction to entertain or try the suit.

The court based on this framed two preliminary issues as follows:
  • Whether the Second Additional District Court, Ernakulam, has jurisdiction to try the suit?
  • Whether the plaint is liable to be rejected as not admissible or not maintainable?

• COURT'S DECISION:
The plaintiff is an Australian company by name Kamadon Academy Proprietary Limited registered at New South Wales. It has been registered under the provisions of the Corporations Act, 2001. Even assuming that by imparting level based education, learning and wisdom through a specialised method and technique of meditation called Melchizedek method, the plaintiff which is an Australian company has acquired a distinctive trade mark and copyright, so as to maintain the suit filed under Section 134 of the Trade Marks Act, 1999, and Section 62(2) of the Copyright Act read with Section 26 and Order VII, Rule 1, Civil Procedure Code and even assuming that the said power of attorney is a valid document executed on behalf of the plaintiff-company, the plaintiff does not put forward any registered trade mark. Hence, the suit can evidently fall only under clause (c) of Section 134(1) of the Trade Marks Act, 1999. If the suit were to fall under clause (a) or (b) then only the plaintiff could rely on Sub-section (2) of Section 134 to contend for the position that the suit can be filed before a District Court within the local limits of whose jurisdiction the person instituting the suit at the time of institution of the suit actually and voluntarily resides or carries on business or personally works for gain. But in the case of a suit, like the present one falling under clause (c) of Section 134(1) of the Trade Marks Act, the
territorial jurisdiction of the court has to be decided not with reference to Sub-section (2) Section 134 but with reference to the general provisions in the Civil Procedure Code namely, Sections 15 to 20. Under Section 20 of the Civil Procedure Code the suit is to be instituted in that court within the local limits of whose jurisdiction the defendants or each of the defendants at the time of commencement of the suit actually and voluntarily resides, or carries on business or personally works for gain or in that court within the local limits of whose jurisdiction the cause of action, wholly or in part, arises. Both the defendants (the petitioners herein) are described as residing at Kilpauk, Chennai, in the State of Tamil Nadu. There is not even a whisper in the plaint to the effect that any of the acts of propagation, receipt of money from the plaintiff for promotional activities, the subsequent detachment of the defendants from the plaintiff and starting of their own organization allegedly using the goodwill and reputation of the plaintiff or the alleged infringement of the Intellectual Property Rights of the plaintiffs or the creation and registration of their own domain names or the alleged misrepresentation by the defendants of the goodwill and reputation of the plaintiff, etc., were committed in any place within the local limits of the jurisdiction of the Ernakulam court. When the plaintiff-company incorporated in Australia is the person instituting the suit and it carries on business and personally works for gain in Australia and not in Ernakulam and when no part of the cause of action is alleged to have taken place at any place in Ernakulam, the Ernakulam court could not have had territorial jurisdiction to entertain the suit or take cognizance of the matter. Thus, after perusing the pleadings, the documents produced in either side and after hearing both sides at length, the court is of the view that the plaint is liable to be returned for want of territorial jurisdiction of the Ernakulam court.

**RESEARCHER’S OBSERVATIONS:**

In this case the plaintiff is a foreign company. In this case the court discussed the scope of section 134 elaborately. The court confirmed that in order to invoke the section some activity must have been undertaken within the jurisdiction of the court. Applicability of section 134 and section 20 again have been discussed and how the same can become the reason of returning the plaint for want of territorial jurisdiction is explained by this case.
3) INTAS PHARMACEUTICALS LIMITED V. ALLERGAN INC. ³

- BRIEF FACTS:

The respondent in this appeal, as plaintiff filed a suit on the Original Side of this Court, praying for a decree of mandatory injunction and damages, as also for infringement of Trade Mark, passing off and unfair competition against the appellant/defendant in the suit. In the said suit, the respondent / plaintiff claimed that the plaintiff No. 1 is a registered proprietor of the trademarks BOTOX and BTX-A in India. It was also stated by the respondent/plaintiff that this Court has the territorial jurisdiction to try and entertain the suit as the offending product of the appellant/defendant is sold by the appellant/defendant in and around Delhi, within the jurisdiction of this Court. The appellant, however, filed an application dated 23rd January, 2006, under Order VII Rule 11 of the Code of Civil Procedure, 1908 ⁴ praying for rejection of the plaint for want of territorial jurisdiction. The learned Single Judge considered the aforesaid plea raised by the Appellant in its application and vide order dated 28th April, 2006 rejected the same holding that a part of the cause of action having arisen within the territorial jurisdiction of this Court, the suit filed by the respondent cannot be dismissed for want of territorial jurisdiction. The aforesaid findings and the conclusions arrived at by the learned Single Judge are under challenge in this appeal.

- MAIN CONTENTIONS/ISSUES:

³ AIR 2007 Delhi 108.
⁴ CPC 1908, O 11 r vii Rejection of plaint.- The plaint shall be rejected in the following cases:—
(a) where it does not disclose a cause of action;
(b) where the relief claimed is undervalued, and the plaintiff, on being required by the court to correct the valuation within a time to be fixed by the court, fails to do so;
(c) where the relief claimed is properly valued, but the plaint is written upon paper insufficiently stamped, and the plaintiff, on being required by the court to supply the requisite stamp paper within a time to be fixed by the Court, fails to do so;
(d) where the suit appears from the statement in the plaint to be barred by any law;
(e) where it is not filed in duplicate;(f) where the plaintiff fails comply with the provision of Rule 9.
Provided that the time fixed by the court for the correction of the valuation or supplying of the requisite stamp papers shall not be extended unless the court, for reasons to be recorded, is satisfied that the plaintiff was prevented by any cause of an exceptional nature from correcting the valuation or supplying the requisite stamp papers, as the case may be within the time fixed by the court and that refusal to extend such time would cause grave injustice to the plaintiff.
The issue that arises for consideration in this appeal is whether this Court has the territorial jurisdiction to try and entertain the suit, which was filed by the respondent.

The appellant contended in this regard that Section 20 of the Code of Civil Procedure, 1908 is a general provision contained in the Code of Civil Procedure, 1908, which gives a guideline of the courts which would have the territorial jurisdiction to try and entertain a suit. It specifically provides that every suit will be instituted in a court within the local limits of whose jurisdiction the defendant resides, carries on business or personally works for gain or where the cause of action has arisen, either wholly or in part. There is also an Explanation provided to Section 20 the Code of Civil Procedure, 1908, which lays down that 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 also has a subordinate office, at such place. Same would be the position in respect of a company. Further, according to the plaintiff, provision of Section 20 Civil Procedure Code being of general nature and since a special provision has been made in the Trade Marks Act, 1999 by way of Section 134, which again provides the forum and the place where a suit for infringement of Trade Mark etc. is to be instituted, the provisions of Section 134 shall have an overriding effect over the provisions of Section 20 the Code of Civil Procedure, 1908, and, therefore, the provisions of Section 20 The Code of Civil Procedure, 1908, shall stand impliedly repealed. The Appellant also contended, that in any case, no cause of action has arisen within the territorial jurisdiction of this Court and, therefore, the impugned order dated 28th April, 2006, passed by the learned Single Judge is required to be set aside and quashed. The counsel further submitted that assuming that the Appellant/Defendant had in its written statement admitted that this Court has the territorial jurisdiction to try and entertain the suit, yet such admission shall not and cannot confer jurisdiction on the Delhi Court, if such jurisdiction is otherwise not available.

**COURT’S DECISION:**

The court in order to appreciate the issues raised and the submissions made extracted the provisions as laid down under section 20 of the Code of Civil Procedure, 1908, and section 134 of the Trade Marks Act, 1999.

The court considering Section 20 of the Code of Civil Procedure, 1908, held that a perusal of the same make it manifest that it is possible to invoke the jurisdiction of a particular
court if the defendants or any of the defendants resides or carries on business or personally works for gain within the jurisdiction of the said court. When the Trade Marks Act was enacted, the Legislature was fully conscious of the fact that Section 20 of the Code of Civil Procedure, 1908 provides for a forum and the place in which a suit is required to be instituted. Despite the said fact, Section 134 of the Trade Marks Act, 1999 was enacted and while enacting the said provision, which was in addition to the provisions of the Code of Civil Procedure, 1908, the Legislature specifically included the non-obstinate clause, which states "notwithstanding anything contained in the Code of Civil Procedure, 1908". Thus the court very specifically held that, in view of the inclusion of the aforesaid expression in the statutory provision "notwithstanding anything contained in the Code of Civil Procedure, 1908" the provisions of Section 134 of the Trade Marks Act, 1999 shall have to be read in addition to the provisions of Section 20 of the Code of Civil Procedure, 1908. The aforesaid position is also made clear and reiterated by the Supreme Court in the case of Dhodha House. In this view of the present matter, and in terms of the aforesaid discussion, the court is of the considered opinion, that the submissions of the learned Counsel for the Appellant that Section 134 of Trade Marks Act overrides the provisions of Section 20 of the Code of Civil Procedure, 1908 and that it impliedly repeals the said provision, is found to be devoid of merit and is rejected. We hold that the provisions of Section 134 of the Trade Marks Act, 1999 do not whittle down the provisions of Section 20 of the Code of Civil Procedure, 1908 but only provide an additional forum and place for filing a suit in the case of any Trade Mark violation. In light of the facts and submissions made in the present case, it is crystal clear that the only provisions which could be attracted in the present case are the provisions of Section 20(c) of the CPC. The said provisions enable a plaintiff to file a suit in all such places where the cause of action arises either wholly or in part. In the present case, the specific plea of the respondent/plaintiff herein is that this Court has the territorial jurisdiction to try and entertain the suit as the defendant is selling the offending products in Delhi, which statement is also admitted by the appellant / defendant in its written statement. In view of

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5 ibid (n 1).
the aforesaid position, the learned Single Judge rightly held that this Court will have the
territorial jurisdiction to try and entertain the present suit.
Thus, the division bench categorically held that this court will have jurisdiction where the
Trade Mark is sought to be sold and if such Trade Mark is being sought for sale in Delhi
amongst other places, Delhi shall also have jurisdiction to entertain such a suit.

- **RESEARCHER’S OBSERVATIONS:**

This is of initial period of interpreting applicability of section 134. This particular provision
on jurisdiction giving an additional forum to the plaintiff was not there in the earlier Act of
1958. The Trademarks Act, 1999 incorporated the same and therefore numerous issues
came before court for interpreting the applicability of this special provision *vis-a-vis*
general provisions under section 20 of the Code of Civil Procedure, 1908. In this case the
court categorically clarified that section 134 overrides section 20 of the Code of Civil
Procedure, 1908. Thus, in the initial years of enforcement of this provision, this decision
of the court enunciated upon the complexities of identifying territorial jurisdiction in
trademark disputes.

4) **PRESTEEGE PROPERTY DEVELOPERS V. PRESTIGE ESTATES
PROJECTS PVT. LTD.**

- **BRIEF FACTS:**

In this case two appeals are clubbed.
Brief facts of M.F.A. No. 4954/2006 are that the said suit is filed by the plaintiff seeking
to restrain the defendants from infringing the well-established trade mark "PRESTIGE" by
using the offending trade mark "PRESTEEGE" to deceptively take advantage of the
reputation of the plaintiff. In the said suit, an application under Order 39 Rules 1 and 2 of
the Code of Civil Procedure, 1908 was filed seeking temporary injunction. Since ad-interim
injunction was granted, the defendants also filed an application under Order 39 Rule 4 of
the Code of Civil Procedure, 1908 C praying to vacate the injunction. The said applications
were considered by the trial Court and disposed of by its order dated 20.04.2006. By the
said order, the ad-interim temporary injunction granted was confirmed and the application

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6 2010 (42) PTC 480 (Karn).
of the defendants was dismissed. The defendants are therefore before this Court against the order dated 20.04.2006.

Considering the factual background of the dispute, the plaintiffs are engaged in construction and building business for the last two decades and they are reputed builders of South India, having built innumerable shopping complexes and residential apartments in and around the City of Bangalore. The plaintiffs are identified with their Trade Mark "PRESTIGE, PRESTIGE GROUP and PRESTIGE ESTATES". They commenced their business by partnership deed dated 01.04.1986. Due to their high quality construction, intrinsic quality, salesmanship, advertisement and the promptness in executing the projects, they claim that they have built vast reputation and goodwill in the market. The plaintiff, in addition to acquiring valuable common law rights, have also sought for statutory protection in respect of their Trade Mark and trading style and as such have filed applications for registration of their service marks before the Trade Mark Registry. The plaintiff has also obtained registration under the Copyright Act, 1957 in respect of the original artistic work; design and image of their Prestige Group label vide registration no. A-51400/91. The defendants got an advertisement published in Malayalam Manorama dated 27-04-2005 and the plaintiffs received inquiries from an existing customer about the further details advertised regarding a project of Prestige. The plaintiff therefore contends that the defendants have slavishly and fraudulently copied the Trade Mark and style by deliberately misspelling the same as "PRESTEEGE". Hence, it is contended that the use of identical name with phonetic similarity in relation to the same description of the services as that of the plaintiff is bound to result in confusion and deception in the minds of unwary purchasers. The launch of the website ‘www.presteege.com’ by the defendants is also referred to by which publicity to marketing of services is rendered by them. Thus, alleging that the defendants are passing of their services in the said manner had instituted the suit.

Brief facts relating to MFA No. 13696/2006, are that the plaintiff is said to be a homeopathy doctor who is specialized in holistic medicine like homeopathy, yoga, acupuncture etc. He has set up a holistic medical centre under the name and style 'SOUKYA BANGALORE HOLISTIC MEDICAL CENTRE/ SOUKYA Dr. MATHAI'S HOLISTIC HEALTH CENTRE' at Richmond Road and SOUKYA Dr. MATHAI'S INTERNATIONAL HOLISTIC HEALTH CENTRE at Whitefield where holistic medicine is offered to people.
During the year 2000 the plaintiff is said to have coined the word 'SOUKYA' and registered the same in Class 16 with the registration No. 904711 effective from 21.2.2000. The plaintiff claims exclusive right to use the word 'SOUKYA' on printed matters, photographs, stationery etc. The plaintiff has also applied for registration of the mark in class 5 in respect of pharmaceutical dietetic substances etc. Registration in class 42 has also been applied for. The plaintiff is therefore using the mark 'SOUKYA' extensively in all their printed matters. The international SPA Association has taken the Managing Director as a member of the Association. The plaintiff has got the art work in respect of the logo 'SOUKYA'. The exhibition conducted at London and the participation of the plaintiff in the said exhibition and also the subsequent summit organised at Bangalore etc are referred to indicate the popularity of the plaintiff. Hence it is contended that the plaintiff is using the mark 'SOUKYA' extensively and the people are aware of the same and have associated with the plaintiff.

The plaintiff during August 2005 was shocked to see an article in the daily newspaper 'Deccan Herald' dated 26.8.2005 wherein it has been stated that 'SOWKHYA AYURVEDIC CENTRE' has been set up in Kodaikanal and that the same is owned by Mr. George Koshy, the first defendant. The plaintiff on further verification became aware of the fact of the defendant with a mala fide intention of usurping the trade name and the goodwill both in India and abroad has started using the name 'SOWKHYA'. The plaintiff has thereafter found the brochures which have been printed by the defendant. The plaintiff thereafter got issued a legal notice to which the defendants had replied stating that 'SOWKHYA' is descriptive. The cause of action mentioned is the date (26.8.2005) when the article appeared in the daily newspaper 'Deccan Herald'. Thus, the plaintiff has filed a suit against the defendant alleging that the defendants have infringed their Trade Mark by making minute change in spelling.

- **MAIN CONTENTIONS/ISSUES:**

  In both the appeals the defendants have raised issue of jurisdiction.

  In M.F.A. No. 4954/2006, the defendants have contended that the suit is not maintainable as this court does not have jurisdiction to try and entertain the suit. In this regard, it is contended that in a passing off action the suit would have to be instituted within the jurisdiction where the person committing passing off works for gain. It is contended that
the defendants do not have any business nor have they advertised in Bangalore since their business is exclusively in the State of Kerala.

In MFA No. 13696/2006, the defendants have contended that the Court in Bangalore lacks territorial jurisdiction to entertain the present suit as the defendants are not residing or carrying out the business within the jurisdiction of this Court and neither has the cause of action or a part thereof arisen within the jurisdiction. The defendants deny that they have placed any advertisement within the jurisdiction of the Court at Bangalore.

Much emphasis was laid on the jurisdiction of the Court at Bangalore to entertain a suit of the present nature. In this regard, the undisputed position is that the Appellants in MFA No. 4954/2006 are carrying on their business at Kerala, while the Appellants in MFA No. 13696/2006 are carrying on business at Tamil Nadu, outside the jurisdiction of the Civil Court at Bangalore while the plaintiff-respondent in both the cases are carrying on their respective business at Bangalore.

In this backdrop of facts and contentions the court framed the following questions for consideration to decide the issue of jurisdiction:

- Whether in such circumstance, the provision contained in Sub-section (2) to Section 134 of the Trade Mark Act, 1999 (for short the 'Act') could be invoked to maintain a suit at the plaintiff’s place of business?
- Whether the existing registration in a different Class would ensure to the benefit of the plaintiff for maintaining such a suit under Section 134(2) of the Act?
- Whether the subsequent registration of the Trade Mark for the same Class to which the dispute relates, during the pendency of the suit though would date back, be relatable to the cause of action and conferment of jurisdiction?
- If the above are answered in the negative and ultimately if the suit is considered as one for passing off and not for infringement, whether part of the cause of action can be held to have arisen within the jurisdiction of the Court at Bangalore in view of the advertisement and the accessibility on the website?

Thus, the court decided to consider the above aspects before going into the merits of the case.

- **COURT’S DECISION:**
The court while deciding the matter at the outset opined that apart from the merits that are to be judged from the pleadings, it is equally important to determine the cause of action and jurisdiction. With regard to MFA no. 4954/2006, although the court very specifically observed that the suit was filed for infringement, there was no reference to registration of Trade Mark of the plaintiff in the pleadings. However, at a later date it was shown that the registration was granted. The suit was filed before grant of registration. However, the registration once granted becomes effective from the date of application. Accordingly it was contended by the plaintiff that the suit for infringement is maintainable as the trademark is registered. With regard to MFA no. 13696/2006, in the same way contention of infringement was raised based on the back dated registration. However, the court observed that when cause of action and jurisdiction is considered the pleadings would have to be construed strictly for the said purpose and as already indicated, the averments in the plaint in the case relating to MFA No. 4954/06 is in the nature of one for passing off since except for the provision mentioned and the prayer portion regarding infringement, no details with regard to registration is available. The plaint relating to MFA No. 13696/06 is in the nature of composite suit only because there is some pleading relating 10 Class-16.

In the abovementioned context the aspects according to court that requires consideration is as to whether the subsequent registration would bring the suit within the framework of section 134(2) enabling it to be maintainable. The court here replied upon the decision of the Division Bench of the Madras High Court in the case of Premier Distilleries Pvt. Ltd. v. Sushi Distilleries\textsuperscript{7}. In this case the aspect of jurisdiction regarding jurisdiction was examined exhaustively in para 10 and 11 of the judgment.

\textit{The argument advanced that registration if granted would date back to the date of application and that the plaintiff would have the right to seek amendment of the plaint to seek relief on the ground of infringement as well, is wholly irrelevant so far as the cause of action for bringing a suit for passing off is concerned. While it may be convenient to the plaintiff to institute a suit in a Court where he may later on be able to bring a suit for infringement of the trade mark, that convenience of the plaintiff is in no way relevant for deciding}

\textsuperscript{7} 2001 PTC 907 Mad (DB).
as to whether a cause of action for filling a suit for passing off can be said to have arisen in a place where, the deceit alleged to have been practised by the defendant had in fact, not been practised within the jurisdiction of the Court in which the suit is brought.

The cause of action is not to be confused with convenience. Many things may be convenient to plaintiff, but they do not become part bundle of facts requiring to be established for obtaining the decree in the suit. The argument advanced for the plaintiff is also farfetched. It seeks to presume that the plaintiff in a suit for passing of who has applied for registration of the mark will pursue the effort to have the trade mark registered; that such effort will be successful; that such an event will occur when the suit is still pending; that the suit will continue to pend till the registration is effected; that plaintiff would be seeking an amendment to add a prayer with regard to infringement and that the plaintiff would be ultimately in a position to establish infringement. The cause of action is something which has occurred and which gives a right to take action. The cause must precede the action and not follow it. The events contemplated by the plaintiff as being capable of occurring at a point of time in the future, merely on account of those possibilities, will not constitute a cause of action for relief for securing which, those events are not materially relevant."

The court placing reliance on the decision of the Supreme Court agreed that the cause of action will arise only when a registered trade mark is used and not when an application is filed for registration of the trade mark. Thus, the court on this aspect held that if it is an action in respect of a trade mark which is yet to be registered, the place of suing will be in terms of Section 134(1)(c) of the Act read with Section 20 of the Code of Civil Procedure, 1908. Only if the trade mark is registered and is actually on the register and a right is conferred as provided under Section 28 of the Act and if such trade mark is infringed the cause of action to institute a suit exclusively for infringement would arise. On such day, the forum as provided under Section 134(2) of the Act would also be available in addition to the forum available as provided under Section 20 of Code of Civil Procedure, 1908. If that be so, the subsequent registration of the trade mark though may relate back in terms of Section 23 of the Act and would be valid for all other purposes, in so far as the cause of
action and jurisdiction, the same cannot be made use of in terms of relation back since as held in Premier Distilleries case\(^8\) the cause must precede the action and not follow it. The court further held that it is clear from the fact that to maintain a suit for infringement, the cause of action would arise only if the trade mark is registered and the use of such 'registered trade mark' is infringed. Hence as on the date of the filing of the suit, if such infringement does not take place, not only the cause of action would not have arisen to file a suit for infringement, but in such situation when the suit in itself is not for infringement, the benefit of filing such a suit at a place where the plaintiff is carrying on the business would not be available as contemplated under Section 134(2) of the Act.

Finally the court held that considering all these aspects, the instant suits would have to be considered as one for passing off and in that context, it would have to be examined as to whether any part of the cause of action had arisen within the jurisdiction of the Court at Bangalore in which the suit is instituted. In this regard, it was urged that the website of the defendant is accessible from any place including Bangalore and therefore, the Court at Bangalore would have jurisdiction even if the suit is construed as one for passing off since a part of the cause of action has arisen at Bangalore. In this situation the court while referring to various decisions\(^9\) held that this aspect clearly deals with the deceptively similar domain names. The court assessing the accessibility of the website held that in the instant case, first and foremost, there is no pleading to that effect. Further the construction activity of the defendant relating to MFA No. 4954/2006 is exclusively in Kerala State. Though online booking is indicated, the sale would not take place in Bangalore so as to constitute a part of the cause of action in terms of passing off since even if the defendants were to pass off of their property riding on the reputation of the plaintiff as alleged, the same would take place only in Kerala State. Similarly in the case of defendant relating to MFA No. 13696/2006 the activity of providing the services is exclusively in Tamil Nadu. The said test of concluding a commercial transaction should be shown, to establish the nature of activity indulged in by the defendants by the use of the website as noticed by me above.

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This view of the court is also fortified by the view expressed by the Hon'ble Division Bench of High Court of Delhi in the case of Banyan Tree Holding (P) Ltd.\(^\text{10}\) Therefore in both the cases the Court at Bangalore would lack jurisdiction.

### RESEARCHER’S OBSERVATION:

This is an interesting case where the court has considered the aspects of cause of action and jurisdiction exhaustively. The court has minutely gone through the provision of jurisdiction in case of trademark disputes. The court further clarified the practical applicability of section 134 of the Trademarks Act, 1999. Further effect of subsequent registration on jurisdiction is also elaborately discussed. Interface between section 20 of The Code of Civil Procedure, 1908 and section 134 of the Trademarks Act, 1999 is well addressed.

#### 5) ST. IVES LABORATORIES INC. V. ARIF PERFUMERS AND ANR. \(^\text{11}\)

### BRIEF FACTS:

The facts of this case are actually in narrow compass. The plaintiff in this case is a company situated in US and the defendant is of Maharashtra. The suit has been filed in Delhi on the ground that the defendants were surreptitiously and clandestinely trading their goods under the impugned trademark and labels in Delhi and other parts of the country as well and another ground is that plaintiff’s trademark was registered with Registry of Trade Marks at Delhi and plaintiff was also having its business in Delhi through its authorized importer and distributor and that plaintiff holds excellent goodwill and reputation in Delhi.

### MAIN CONTENTIONS/ISSUES:

It is argued that this Court has jurisdiction to try and adjudicate this suit under Section 134(2) of the Trade Marks Act, 1999 and under Section 62(2) of the Copyright Act, 1957. Section 134(2) of the Trade Marks Act 1999 which is *parimateria* with Section 62(2) for the purpose of jurisdiction provides that every District Court to try a suit for infringement of Copyright if within the local limits of its jurisdiction, at the time of institution of the suit or other proceedings, the person instituting the suit or other proceeding or, where there are more than one such person, any of them actually and voluntarily resides or carries on

\(^{10}\) 2010 (42) PTC 361 (Del).
\(^{11}\) 2009 (40) PTC 104 (Del).
business or personally works for gain. Where this provision cannot be availed the provision under section 20 of the Code of Civil Procedure, 1908 are applicable. Accordingly, the counsel for the plaintiff contended that this court would have jurisdiction under section 20(c) as a part of cause of action has arisen in Delhi. Further as a part of cause of action has arisen in Delhi, the plaintiff further argued that this court will have jurisdiction as the defendants were carrying on business besides other parts of the country.

- **COURT’S DECISION:**  
The court while deciding the issue of jurisdiction held that the Court has to ensure whether any part of cause of action had arisen within the jurisdiction of this Court. The registration of a trademark in Delhi cannot be a ground to invoke jurisdiction of Delhi Courts. The Trade Marks Act does not provide that registration of trademark at a particular office shall be a ground for filing a suit for infringement of trademark or passing off trademark within the limits of that Court. In case of Intellectual Property Rights, where the property rights vest in the plaintiff, an advantage has been given to the plaintiff to file a suit under section 62(2) of the Copyright Act, 1957 and Section 134(2) of the Trade Marks Act 1999 wherever he resides or carries on business. This advantage is available in case of infringement of intellectual property rights. In case of an action of passing off in case of unregistered trademark this advantage cannot be availed. In such cases the Court can entertain the suit only if the suit substantially meets the criteria of invoking jurisdiction under provisions of CPC.

In the present case the court while assessing whether the Delhi court has jurisdiction as invoked by the plaintiff, assessed the factual situation with regard to cause of action and the place of business on part of the defendant. The court held that it is specifically stated by the plaintiff that defendant No. 1 was a firm of defendant No. 2 and was engaged in the trade of cosmetics and personal care products. The plaintiff was not aware of exact constitution of defendant No. 1 and nexus of defendants. It is further stated that defendants, in the course of trade, were using the trademark/label same or deceptively similar to that of the plaintiff’s and the goods were being sold through trade channels/shops. In para 31 it is stated by the plaintiff that plaintiff learnt of the violations being carried by the defendants in October, 2008 and the enquiries revealed that defendants, just towards the beginning of October, 2008, started trading in the impugned trademark and defendants were not issuing
any formal sale bills with respect to the sales of impugned goods, under impugned trademark/label. Defendants were carrying out impugned activities under the impugned trademark from their shop No. 1 of Arif Apartment at Veer Savarkar Nagar, Thane and were supplying their goods to major parts of the country including Delhi. The plaintiff has not placed on record a receipt showing purchase of any of the goods of the defendants from Delhi nor has not mentioned any market or place or shops where goods of defendants were available with or without bill.

Thus, looking at the plaint and the contentions the court very specifically held that the present suit is filed in this court as a device of harassment calculated to force the defendant to come to Delhi, engage a Counsel at enormous expense and contest litigation. The plaintiff, who was resident of USA could have easily filed this suit at Courts at Bombay/Maharashtra and pursued the matter. Filing of suit in Delhi on the basis of value allegations that the goods of defendants were being sold clandestinely throughout the country including Delhi makes no sense. No cause of action can be said to have arisen in Delhi. Such allegations of clandestine sale can be made against any person without any foundation and the plaintiff even during trial can always escape giving proof of such clandestine sale saying that he has stated in the plaint that the sale was clandestine and no bills were being issued. The Court cannot be used as a tool to put such a burden on the defendant that the defendant is unable to even defend the suit. The plaintiff cannot be given absolute liberty to choose the place of suing a defendant out of entire country on the basis of unfounded and vague allegations. In such a case CPC provisions regarding jurisdiction the court found that where the defendant is living in another State doing his business there and is in fact having only one shop, to presume the defendant was having a clandestine business throughout India is too much and on the basis of such vague allegations.

On the abovementioned grounds the court held that it does not have jurisdiction to entertain the suit.

- **RESEARCHER’S OBSERVATION:**

In this case the court elaborating on the provisions of jurisdiction in case of trademark infringement and passing off as provided in the Trademarks Act, 1999 and in the Code of Civil Procedure, 1908, very specifically held that the advantage is given to the plaintiff in case of registered trademark to institute a suit at his place of residence or business.
However, undue advantage of the same should not be taken. Through this case, it is clarified that nowhere in the trademark act it is provided that registration of trade mark at a particular office shall be a ground for filing a suit for infringement of trade mark or passing off trade mark within the limits of that Court. It is pertinent to note that the courts have been vigilant enough to see that the purpose with which the statutory provisions of additional forum under the special jurisdictional provisions in section 134(2) is served in its true sense and not misused as a devise of harassment towards defendants.

6) PFIZER ENTERPRISE AND ANR. V. DR. H.R. MANCHANDA AND ANR.\textsuperscript{12}

- **BRIEF FACTS:**

The first plaintiff, in the present case is a company organized under the laws of Luxembourg. The second plaintiff with its registered office in Mumbai is its subsidiary in India. The plaintiffs have set up their India operation in the year 1950 in Bombay. Apart from a wide range of products marketed in India by the plaintiffs, they also market in India 'Dalacin', a product, which is the essential component of 'Dalacin C' and 'Dalacin T'. Dalacin is a highly sought after antibiotic used to treat infections in different parts of the body caused by bacteria, the active ingredient of which is Clindamycin. They market chemical compositions Clindamycin hydrochloride and Clindamycin phosphate under the mark Dalacin C. It is further stated that the mark 'Dalacin C' was first adopted by the Upjohn Company in 1968 in India; (whose name was later changed to Pharmacia & Upjohn Company in 1996). The mark was later assigned to Pharmacia Enterprises SA in 2002, which was subsequently renamed Pfizer Enterprises SARL, the first plaintiff. Further, it is stated that the first plaintiff is the proprietor of the aforesaid trademark by virtue of its priority in adoption, continuous and extensive use, and widespread advertisement. Both 'Dalacin C' and 'Dalacin T' have been registered in India; No. 247943 and No. 389213 respectively. The second plaintiff is the authorized user of these trademarks in India. They aver that due to the extensive use and the reputation of the plaintiffs, the aforesaid trademark has come to be exclusively identified with the plaintiffs. In March 2007 plaintiffs were shocked to discover from their sources as well the defendant's website that the second defendant offers pharmaceutical compositions Clindamycin hydrochloride and

\textsuperscript{12} 2009 (39) PTC 114 (Del).
Clindamycin phosphate under the mark 'Dalcinex', in both capsule and injection form as the plaintiffs do. The present suit has been filed to restrain the defendants from infringing the trademark of the plaintiffs' and passing off their goods as the plaintiffs' goods. The plaintiffs have also sought rendition of accounts and delivery up of goods.

**MAIN CONTENTIONS/ISSUES:**

The main issue raised by the defendant in this case was that the suit is not maintainable as the court lacks territorial jurisdiction since both the plaintiffs and the defendants carry on business outside the jurisdiction of this Court. Further, the second defendant also manufactures an antibacterial product having Clindamycin as its active ingredient a company carrying on its business activities from Mumbai. The plaintiff averred that it is the fastest growing research oriented pharmaceutical companies and has been one of the leading healthcare companies in the world. It is also averred that the plaintiffs set up their India operation in the year 1950 in Bombay. Thus the plaintiff claimed that the aforesaid trademark is a fanciful and coined word having no denotative meaning and is therefore, a distinctive mark. The plaintiffs contended that this Court has the jurisdiction to entertain the present suit, by virtue of Section 134(1) of the Trade Marks Act, 1999 (hereafter 'the Act'), as the plaintiffs' product 'Dalacin C' is available for sale and distribution in Delhi and also because the defendants' product is also available for sale in Delhi. Therefore, it was submitted that part of the cause of action has also arisen within Delhi. The defendants further raised a contention that in absence of registration a suit of infringement would not be maintainable. The defendants contended that the suit is not maintainable in this Court, since both the plaintiffs and the defendants carry on business outside the jurisdiction of this Court. Placing reliance on Dabur India v. K.R. Industries\(^{13}\), which affirmed this Court's finding, on jurisdiction it was contended that unless the cause of action arises within territorial limits of this Court, and unless the defendants' allegedly infringing products are sold in Delhi, this Court cannot exercise jurisdiction.

**COURT'S DECISION:**

At the stage of interim relief the defendant raised a preliminary objection of maintainability of the suit on the ground of lack of territorial jurisdiction.

\(^{13}\) MIPR 2008 (2) 215
In the first instance the court considered the provisions for determining jurisdiction under section 20 of the Code of Civil Procedure, 1908, section 62(2) of the Copyright Act, 1957 and Section 134 of the Trade Marks Act, 1999, for the adjudication of trademark disputes. First, the place at which the defendant actually and voluntarily resides or carries on business. Second, the place at which the cause of action, wholly or in part arises. Lastly, by an amendment to the Copyright Act and the Trade Marks Act, the suit can be instituted at the place where the plaintiff resides and carries on business. The Explanation to Section 20 of the Code of Civil Procedure, 1908 makes it clear that the place at which a corporate entity carries on business is either the place at which it has its sole or principle office or where it has a subordinate office. The court held that the mere existence of a branch office in Delhi would not mean that the plaintiff carries on business in Delhi. The plaintiff would be deemed to carry on business at a branch office only if a cause of action had arisen in Delhi. A well-established principle of law is that to constitute "carrying on business" at a certain place, the essential part of the business must take place in that place. The court placed reliance on Dodha House case where the Supreme Court observed that it was possible that the goods manufactured by the plaintiff were available in the markets in Delhi or they are sold in Delhi, but that by itself would not mean that the plaintiff carries on any business in Delhi. Citing a number of precedents the court held that the emphasis had shifted from the residence or location of the person or authority sought to be proceeded against, to the situs of the accrual of the cause of action.

The Court clearly held that in a case of present nature, the cause of action partly or wholly can arise in a given jurisdiction only if it is the defendant who is proved to have directly made sale of the goods under the impugned trademark (within a given court) not to an individual customer but to a distributor or a wholesaler or retailer and that such a sale should be at a commercial scale.

Regarding jurisdiction arising on account of the web site of the plaintiff in India, the Court held that in order to extend jurisdiction to defendants residing outside the territorial limits, on the basis of their presence on the internet, the website of the defendants cannot be a mere passive one but has to be interactive, in the sense that something purposeful should be directed towards the forum state. The print outs of the second defendant's website submitted by the plaintiff, in the list of documents, do not in any manner disclose the
minimum threshold of interactivity laid down in India T.V.\textsuperscript{14} The copies merely disclose the range of products sold by the defendants and nothing more. There is no purposeful direction of the defendants' web activities to the concerned geographical locale, in this case Delhi, to prima facie establish this Court's jurisdiction. Finally the court returned the plaint with the concluding remarks that the suit averments, and the documents do not disclose that the dispute in this case can be entertained and tried by this Court; it plainly lacks territorial jurisdiction.

- **RESEARCHER'S OBSERVATION:**
  Applicability section 20 of the Code of Civil Procedure, 1908, section 62(2) of the Copyright Act, 1957 and Section 134 of the Trade Marks Act, 1999, in case of trademark infringement and passing off disputes are elaborately discussed by the court in the present case. The court also discussed about jurisdiction arising on account of the web site access.

7) **ARCHIE COMIC PUBLICATIONS INC v. PURPLE CREATIONS PVT. LTD.\textsuperscript{15}**

- **BRIEF FACTS:**
  By way of the present appeal the Appellant lays a challenge to the order dated 20th April, 2008 whereby the application of the Appellant being I.A. No. 5271/2006 in CS (OS) No. 1420/2005 under Order 6 Rule 17 CPC for amendment of the plaint was dismissed and the application of the Respondents herein being I.A. No. 238/2006 under Order 7 Rule 11 CPC was allowed, thereby returning the plaint of the Appellant for the purposes of filing before the competent Court.

  Brief facts of the suit are that the Appellant had instituted a suit for permanent injunction, infringement of trademark, damages, against the respondents claiming to be engaged in the field of printed matter, paper articles, newspapers, periodicals, books, comic magazines, cartoons strips, story books, films and a myriad of licensed products including: glassware, lipstick, vanity sets, nailtips, body mist, clothing items such as T-shirts, polo shirts, nightshirts and in particular clothing for children, beach towels, hats etc.

  According to the Appellant they are the proprietor of Archie Comic Publication Inc. and own the "ARCHIE" trademark with its variations like "ARCHIE", "ARCHIE'S", "LITTLE ARCHIE", "THE ARCHIES" "THE NEW ARCHIES", "ARCHIE COMICS" etc. The

\textsuperscript{14} 2007 (35) PTC 177 (Del)
\textsuperscript{15} 2010 (44) PTC 20 (Del)
Appellant had applied for registration of "ARCHIE and Heads" on 17th October, 1989 in Class 16 and it is claimed that they have been extensively using this mark in India since 1979.

According to the Appellant they came to know that the Respondents have started using their trademark for the first time in June, 2004 when they came across an advertisement for the trademark "ARCHIES and device", "PURPLE ARCHIE" and "ARCHIES" in Class 25, which was published in the trademark journals. The Respondents are allegedly involved in the business of manufacturing and selling kids wear under the said trademark.

• MAIN CONTENTIONS/ISSUES:

The issue that arises for determination in the present appeal is whether this Court has jurisdiction to entertain the suit filed by the Appellant. For the purpose of jurisdiction the contention raised is that this Court has the jurisdiction to entertain, try and determine the present suit as a part of the cause of action arose within the territorial jurisdiction of this Court. The Defendant's mark has been advertised in the Trade Marks Journal which was circulated in Delhi, within the jurisdiction of this Court. Therefore, this Court has the jurisdiction to entertain, try and decide the present suit under Section 134(2) of the Trade Marks Act, 1999 as the plaintiff is carrying on its business in Delhi at least since 1979.

• COURT'S DECISION:

The court at the outset observed that it is only in the event of a conflict between the provisions of Section 20 of the CPC and those of Section 134 of the Trade Marks Act that the latter would prevail. The effort of the Court must be, so far as is possible, not to curtail the role that can be played by either of the provisions acting conjointly or simultaneously.

The court very clearly held that the intention of the legislature is evident, inter alia, in the non-obstante clause pertaining to the CPC. The word "notwithstanding" in ordinary parlance means 'in spite of' or despite. (See Concise Oxford Dictionary as well as Black's Law Dictionary). This word does not indicate that the CPC has no role to play. In the factual matrix before us the word 'notwithstanding' connotes that in addition to Section 20 of the CPC, by virtue of Section 62(2) of the Copyright Act, the plaintiff is free to choose a forum convenient to it, that is, wherever it actually and voluntarily resides or carries on business or personally works for gain, provided the cause of action arises there. This is in contradistinction to that of the defendant as prescribed by Section 20 of the CPC. It is
difficult for us to conceive of a situation where the ameliorative advantage bestowed on
the plaintiff by virtue of Section 62 of the Trade Marks Act or Section 134 of the
Trademarks Act could be frustrated if this interpretation is given effect to.
The court further referring to the next ground urged by the Appellant to invoke the
jurisdiction of this Court that the defendant's mark has been advertised in the Trademark
Journal which was circulated, within the jurisdiction of this Court, held that the issue
whether publication of the proposed registration of trademark at Delhi or even of the
advertisement in a newspaper in Delhi vests jurisdiction in the Court at Delhi to try the suit
has also been set at rest by the Hon'ble Supreme Court in Dhodha House\textsuperscript{16} enunciating as
under: “An advertisement by itself in a journal or a paper would not confer jurisdiction
upon a court”.
Another issue which arose for determination before the learned Single Judge was whether
a Court which does not have territorial jurisdiction on the basis of the averments made in
the plaint as originally filed, can entertain an application for amendment of the plaint,
which if allowed would bring the case within the jurisdiction of such Court? The court in
this regard held that it is well settled that for any adjudicatory authority to act, Jurisdictional
Fact is a sine qua non for the same. A jurisdictional fact is one on the existence or non-
existence of which depends the vesting of jurisdiction in a Court, Tribunal or an authority.
In Black's Legal Dictionary it is explained as a fact which must exist before a court can
properly assume jurisdiction of a particular case. In this regard it would be relevant to note
Section 134 of the Trademarks Act, 1999 which postulates that a suit can be instituted by
the plaintiff within the local limits of whose jurisdiction at the time of institution of suit or
other proceedings, the person instituting the suit or proceedings actually and voluntarily
resides or carries on business or personally works for gain. Thus, the section clearly
envisages that at the time of institution of the suit, the Appellant should have been carrying
on business at Delhi, which unfortunately is not the factual situation in the present case.
The court finally held that as a result of a completely unconscionable plaint which does not
reveal any fact which confers a jurisdiction on a civil court to act may not vest the
jurisdiction with the Civil Court to even allow an amendment of the same. But if it is a case

\textsuperscript{16} ibid (n 1).
of unclear or ambiguous pleadings, the same may be allowed to be amended to clarify the already pleaded facts till the same does not give rise to addition of a new cause of action or pleading new facts. Further if the plaint discloses some facts, which may however, be incomplete to vest territorial jurisdiction in the Court, the Court would entertain an Application for amendment of the pleadings. This is more so, as such an amendment would not set up a new case. However, if no facts are disclosed qua territorial jurisdiction then the defect cannot be even cured by amendment and in such a case an Application for amendment cannot be entertained.

8) M/S LAKHAN PAL SHYAM KUMAR V. M/S RAM PRASAD GUPTA &ANR.17

- **BRIEF FACTS:**
The plaintiff is in the business of manufacturing, processing, marketing and distribution of chewing tobacco, khaini and surti under the trademark "Shyam Surti" since 1969 which is duly registered vide registration no. 312720 in class 34. In the month of May 2006 the plaintiff came to know that the defendants are manufacturing and marketing same goods as that of the plaintiff under the name "Om Shyam Surti" and even the packing is identical and deceptively similar to that of the plaintiff. According to the plaintiff the defendants are using the impugned mark out of greed with a view to take advantage of the reputation and goodwill of the plaintiff. The defendant no. 1 and 3 however filed a suit for declaration, injunction and damages under section 134(c) and 142 of the Trademarks Act against the plaintiff at Chitrakoot, U.P which is being contested by the plaintiff herein. The present suit has been filed by the plaintiff for permanent injunction and rendition of accounts against the defendant alleging infringement of its trademark "ShyamSurti".

- **Main Contentions/Issues:**
The short controversy to be decided in this case is that whether this court has territorial jurisdiction to entertain the present suit or not. As per the case set up by the plaintiff this court has the territorial jurisdiction to try and entertain the present suit as both the plaintiff and the defendants are carrying on business in Delhi and the defendants are committing the acts of infringement and passing off within the jurisdiction of this court. The plaintiff has

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17 2012 (51) PTC 141 (Del).
also claimed that by virtue of fact that the plaintiff obtained registration of their trade mark in Delhi and also that the defendant no. 1 has filed application for registration of the impugned trade mark in Delhi, therefore this court has the territorial jurisdiction to entertain the present suit. The plaintiff has invoked Section 134 of the Trade Marks Act, 1999 and Section 62 of the Copyright Act 1957, for carving out the jurisdiction of this court. The plaintiff through pleadings contended that this Court has the territorial jurisdiction to try and adjudicate upon the present suit. Both the plaintiff and the defendants are carrying on business in Delhi. The defendants are committing the impugned acts of infringement and passing off within the jurisdiction of this Hon'ble Court by conducting business under the impugned trade mark in Delhi in a clandestine and surreptitious manner i.e. without issuing any formal invoices against sales. The plaintiff also filed and obtained registration of their trade mark in Delhi. The defendant no. 1 also filed application for registration of impugned trade mark/label in Delhi on all India bases. Thus, this court has jurisdiction under Section 134 of the Trade Marks Act, 1999 and Section 62 of Copyright Act, 1957 to entertain and adjudicate upon this suit.

The defendant on the other hand has contended that the plaintiff cannot invoke the jurisdiction of this court under Section 134 of the Trade Marks Act as the present suit is not a suit for infringement of trade mark as the registration of the plaintiff's trademark is for the states of Uttar Pradesh and Madhya Pradesh only. The defendant has also averred that the suit for infringement of copyright under Section 62 is also not maintainable as neither the plaintiff nor the defendants are carrying on any business within the territory of this court. Further the contention of the defendant was that the suit for passing off is also not maintainable as the plaintiff has not produced anything on record in order to show any intention of the defendants to use the mark in question within the territory of this Court.

The other plank of the argument of the defendants is that as far as the application for registration of trademark by the defendants is concerned, the same is filed in Delhi because the defendant is residing and carrying on business in the State of Uttar Pradesh and there is no trademark office in Uttar Pradesh and the same has to be filed in Delhi. The counsel also submitted that it is not in dispute that the defendants application is still pending and that the defendants have not made any claim in the application that they are selling the
goods in Delhi and hence the plaintiff cannot be allowed to take advantage of the fact that the defendants have applied for registration of their trademark in Delhi.

- **COURT'S DECISION:**
The court at the outset clarified that the legal position with regard to the fact that whether section 134 or section 62 can oust section 20 of the Code of Civil Procedure, 1908 is no more res Integra. The Hon'ble Division Bench of the Delhi High Court in the case of Indian Performing Right Society Ltd. vs. Sanjay Dalia &Anr. discussed in detail the scope of section 134 of TM Act vis a vis section 20 of Code of Civil Procedure, 1908 and held that they are both to be read conjointly and if conflict arises then Section 134 would prevail over section 20 Code of Civil Procedure, 1908. The court further quoting a few relevant paras from this decision agreed that the cause of action is an integral, inseparable and inevitable part of any litigation, by reading it into Section 62 of the Copyright Act and Section 134 of the Trade Marks Act, the law is made meaningful and expedient. This is the bounden duty of any Court which is called upon to interpret a provision of law.

The court further specifically held that the cause of action as is trite is a bundle of facts which are necessary to be proved in a given case and if the cause of action arises within the jurisdiction of the court concerned, it empowers the court to entertain the same. It is also settled legal position that to decide whether or not the cause of action has arisen within the jurisdiction of this court, only the pleadings in the plaint have to be looked at and nothing more. The court discarded the argument of plaintiff claiming territorial jurisdiction on the ground that the plaintiff has registered its trademark at Delhi and the defendant has also applied for its trademark in Delhi. This contention was rejected by placing reliance on the view taken by the Apex Court in Dhodh House case that cause of action will arise only when a registered trade mark is used and not when an application is filed for registration of the trade mark. Hence, filing of the application by the defendant for registration of its trademark in Delhi will not confer jurisdiction on this court.

Lastly the court held that the issue of jurisdiction is a pure question of law and thus can be decided as a preliminary issue. The question whether this court has the territorial jurisdiction to try the present suit can be determined by looking at the averments in the

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19 2006 (32) PTC 1 (SC).
plaint and does not need recording of any evidence. The purpose of adducing evidence is to corroborate the averments made in the plaint and not to supplant or add any new ground for conferring jurisdiction on a court which it otherwise does not have. The question of jurisdiction in the present case goes to the root of the matter and thus has to be decided as a preliminary issue. Finally the court decided the matter in favour of the defendant holding that the cause of action as pleaded by the plaintiff has not arisen within the jurisdiction of this court. Hence the suit is accordingly dismissed due to lack of territorial jurisdiction.

- **RESEARCHER’S OBSERVATIONS:**

  It can be observed that in case of trademark violations one of the major preliminary issue to be addressed before the court is of jurisdiction. Considering the provisions under section 20 of the Code of Civil Procedure, 1908 and section 134 of the Trademarks, the court in this case enunciated upon the interface between both the provisions. The court while deciding upon the territorial jurisdiction to try the matter flawlessly dealt with the aspect of cause of action. Judicial clarity on applicability of such provisions is paving a way to the future litigants in case of trademark disputes.

9) **CHOICE HOTELS INTERNATIONAL INC. V. M. SANJAY KUMAR AND ORS.**

- **BRIEF FACTS:**

  The plaintiff is a hospitality holding corporation originally set up in 1939 as a non-profit association under the name Quality Courts United, and became Choice Hotels International, Inc. on 25th July 1990. The plaintiff's business consists of franchising, promoting and licensing high quality hotel services in various countries of the world. It is claimed that the plaintiff is one of the world's largest and most successful lodging franchisors with more than 5,800 hotels, providing exceptional services and amenities to travellers in over 40 countries across the world. The plaintiff established a joint venture Company, Quality Inns India Private Limited as a master franchise in India in 1987 and became Choice Hospitality (India) Private Ltd. In India, the plaintiff is holding several

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20 MANU/DE/0443/2015.
trademark registrations for its various brands such as Comfort Inn, Comfort Suites, Clarion, Quality, Sleep Inn, Main Stay Suites, Econo Lodge and Rodeway Inn. The trademarks relevant for the purpose of this suit are COMFORT, COMFORT INN and variants. In addition to this the plaintiff has been doing business on the internet under the domain name www.choicehotels.com and cwww.comfortinn.com and has offered internet reservation service since 1995. Defendant No. 1 is the Managing Director and key person of operations of defendant No. 2, HOTEL RAJ COMFORT INN, located at Paradise Circle, Secunderabad (AP). Defendants are using the trade name/trademark COMFORT INN for a hotel in Secunderabad, Andhra Pradesh. Hence the plaintiff has filed the present suit for permanent injunction restraining infringement of trademark, passing off, dilution of trademarks, damages, delivery up etc. against the defendants.

**MAIN CONTENTIONS/ISSUES:**

The court is approached under order 39 rule 1 of the Code of Civil Procedure, 1908, for an interim injunction in a suit of infringement of trademark. Main issues to be considered on part of the court are:

- Territorial jurisdiction of this court
- Infringement
- Distinctiveness of the mark
- Honest adoption of the mark
- Delay and latches for bringing action

Territorial jurisdiction is the issue which is analyzed in detail considering the research framework.

The plaintiff contended that this Court has the necessary territorial jurisdiction to entertain and try the present suit on account of the provisions of Section 134(2) of the Trademarks Act, 1999 as the Plaintiff being the owner of the registered trademark COMFORT INN/COMFORT, carries on business for profit and gain through its master franchisee operating from Comfort Inn The President at 4/23 B, Asaf Ali Road, Delhi. Territorial jurisdiction of this Court also exists as the Defendants' interactive website at www.rajcomfortinn.com is accessible in New Delhi and amounts to offering the Defendants' services for sale at Delhi since online bookings for rooms requested from Delhi are routinely accepted by the Defendants. The Defendants are also verily believed to have
agents and coordinates at Delhi from promotion of their business to Hyderabad-bound travellers. The Defendants are also listed in the Just-Dial directory and therefore are clearly offering their services for sale in Delhi. Hence, a part of the cause of action also arises in Delhi.

Against this, it is contented by the defendants that they are carrying on their business at Hyderabad, Andhra Pradesh. They neither actually nor voluntarily reside and/or carry on business nor personally work for gain within the territorial jurisdiction of this Court. Therefore this Court has no jurisdiction to entertain and decide the present suit. Also, the website of the defendants is not interactive. Though the plaintiff has referred to the website of the defendants, plaintiff has not pleaded or produced any evidence to prima facie show that some commercial transaction was entered into by the defendants with a user of defendants' website resulting in any injury or harm. There is no cause of action for the suit to be maintainable in Delhi.

- **COURT'S DECISION:**

The Court for deciding the issue at hand borrowed the observations of the division bench of Delhi High Court in a recent case of World Wrestling Entertainment, Inc. vs. M/s. Reshma Collection & Ors\(^2\) where the issue of jurisdiction was discussed at length. The court quoted the relevant para from this judgment,

> “The provisions of Section 134(2) of the Trademarks Act, 1999 and of Section 62(2) of the Copyright Act, 1957 are material. Both the provisions are virtually identical. They are both non-obstante provisions inasmuch as it is clearly stated therein that they are “notwithstanding anything contained in the Code of Civil Procedure, 1908, or any other law for the time being in force Furthermore, the word “include” is used in both the provisions so as to include a District Court within the local limits of whose jurisdiction, at the time of institution of the suit or other proceeding, the person instituting the suit or proceeding, or where there are more than one such person, any of them, actually and voluntarily resides or carries on business or personally works for gain. Insofar as the present case is concerned, it is not claimed by the Appellant/plaintiff that it resides or personally ...”

\(^2\) 2014 (60) PTC 452 (Del).
works for gain in Delhi. It has, as pointed out above, taken the plea that it 'carries on business' in Delhi because, according to it, its programmes are broadcast in Delhi; its merchandise and books are available for sale in Delhi; and its goods and services are sold to customers in Delhi through its website which can be accessed in Delhi over the internet.”

The court further placed reliance on the Dhodha case and adopted the meaning of the term “carries on business” in order to resolve the issue of territorial jurisdiction. The court therefore in this regard held that it is evident that when we say that a person carries on business at a place we mean that the person has an interest in a business at that place, a voice in what is done, a share in the gain or loss and some control at that place. There is no doubt that a person may carry on business at a place not necessarily by himself but through an agent or a manager or through a servant.

The court further considering the averments made in the pleadings of both the sides decided that the court has territorial jurisdiction to grant interim relief to the plaintiff.

- **RESEARCHER’S OBSERVATIONS:**

This is the latest view taken by the High Court on territorial jurisdiction on case of trademark disputes. The court while deciding the interim application exhaustively dealt with the issue of jurisdiction. Applicable sections are elaborately discussed with the relevant earlier decisions of various High Courts and Apex Court.

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22 ibid (n 1).
6.2 ANALYSIS OF JUDICIAL DECISIONS OF SUPREME COURT AND VARIOUS HIGH COURTS ON TRADEMARK PROTECTION IN VIRTUAL WORLD

1) YAHOO!, INC. V. ARORA AND ANR. 23

- BRIEF FACTS:
The plaintiff is the owner of the trademark 'Yahoo!' and domain name 'Yahoo.Com', which are very well-known and have acquired distinctive reputation and goodwill. The defendants by adopting the name 'Yahooindia' for similar services have been passing off the services and goods of the defendants as that of the plaintiff's trademark 'Yahoo!' which is identical to or deceptively similar to the plaintiff's trademark...This court is approached for temporary as well as permanent injunction restraining the defendants from operating any business or selling, offering for sale, advertising and in any manner dealing in any services or goods on the internet or otherwise under the trademark or domain name ‘Yahooindia.com’ or any other deceptively similar mark or domain name.

- MAIN CONTENTIONS/ISSUES:
A domain name/trademark adopted by the plaintiff is entitled to equal protection against passing off as in the case of a trademark.

The trademarks and domain names are not mutually exclusive and there is an overlap between the trademarks and services rendered under domain names and thus by adopting a deceptively similar trademark 'Yahooindia', the defendants have verbatim copied the format, contents, lay out, colour scheme, source code of the plaintiff's prior created regional section on India at Yahoo.com and thus passing off the services of the defendants as that of the plaintiff.

Internet users are familiar with the practice of companies to select domain names that incorporate their company name, well-known trademark, and/or product/service name and generally attempt to locate a particular company's Web site by simply typing in www.(company name).com or www.(product name).com when they are unsure of the Internet address of the Company.

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23 1999 (19) PTC 201 (Del).
COURT'S DECISION

The Internet is a global collection of computer networks linking millions of public and private computers around the world. The Internet is now recognised as an international system, a communication medium that allows anyone from any part of the lobe with access to the Internet to freely exchange information and share data. The Internet provides information about various corporations, products as also on various subjects like educational, entertainment, commercial, government activities and services. A computer or device that is attached to the Internet has an address which is known as Domain name. The same is established by using suffix 'com' and registering with Network Solutions Inc. A domain name identifies a computer or a Sub Network of computers in the Internet. One way to establish a presence on the Internet is by placing a web page. The court further appreciated the fact that the present case was not for infringement but for the action of passing off under the common law. In order to elucidate the principle of passing off, a reference was made by the court to the well-known author P. Narayanan as well as Lord Halsbury. Relevant Indian as well as US decisions were also referred.

The court appreciated the fact that with the advancement and progress in technology, services rendered in the Internet has also come to be recognised and accepted and are being given protection so as to protect such provider of service from passing off the services rendered by others as that of the Plaintiff. The court further opined that in the virtual world more vigilant strict and approach is needed considering the accessibility of the website. The court accepted the similarity of the domain names in the present case and held that the degree of the similarity of the marks usually is vitally important and significant in an action for passing off for in such a case there is every possibility and likelihood of confusion and deception being caused. When both the domain names are considered, it is crystal clear that the two names being almost identical or similar in nature, there is every possibility of an Internet user being confused and deceived in believing that both the domain names belong to one common source and connection, although the two belong to two different concerns; thus considering the plaintiff being able to make out prima facie case for passing off the injunction was granted.
**Chapter 6: Emerging Judicial Trends**

- **RESEARCHER’S OBSERVATIONS:**
  
  This case was the first case where the court recognized that domain name is entitled to equal protection against passing off in case of a trademark. The court further identified the internet as a global medium and an international system of communication. The Delhi High Court approved the opinion of the US court that the domain name serve same function as the trademark and is not a mere address or like finding number on the Internet and, therefore, it is entitled to equal protection as trademark. It was further held that a domain name is more than a mere Internet address for it also identifies the Internet site to those who reach it, much like a person's name identifies a particular person or more relevant to trade mark disputes, a company's name identifies a specific company.

2) **REDOFF COMMUNICATION LIMITED V. CYBERBOOTH AND ANOTHER**

- **BRIEF FACTS:**
  
  The plaintiffs, Rediff Communication Limited are an online media company carrying on the business of communication and providing services through the internet since 6th January 1997. The plaintiffs are a group company of Rediffusion Dentsu Young and Rubicam Advertising Limited. The word "REDOFF" is comprised of the first six letters of their group companies' corporate names and is associated with the plaintiffs and their group companies. The plaintiffs have on 8th February 1997 registered the domain name "REDOFF. COM", with Network Solutions, Inc. a company registered under the law relating to companies ("NSI"). The plaintiffs have a large turnover of Rs. 0.31 crores and Rs. 1.93 crores over the last two years, respectively. In March 1999, the plaintiff learnt that the defendants have got registered the domain name "RADIFF. COM" with the NSI on 31st January, 1999. Hence the plaintiffs have filed the present suit for a permanent injunction restraining the defendants from using the domain name ‘RADIFF’.

- **MAIN CONTENTIONS/ISSUES:**
  
  The plaintiff’s main contention was that both the terms ‘Radiff’ and ‘Rediff’ are deceptively similar and therefore this action in passing off is initiated. The main contention taken by the defendant is that the manner of watching for information on the Internet is such that there is no likelihood of deception or confusion between 'www.rediff. com' and

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24 AIR 2000 Bom 27.
'www.radiff.com'. It is contended that the user of the Internet can never connect to a website by mistake. Besides, the users of the computers and are educated people and thus there is no possibility of any contusion being made by an Internet user in the two names.

- **COURT'S DECISION:**

The court quoting Judge Mckenna in case of American Civil Libereties Union v. Reno, explained the Internet address system. The threat of passing off in case of similar domain name was explained with the help of Marks & Spencer P.I.C. v. One in a Million. Considering US as well as India authorities the court held that a domain name is more than an Internet address and is entitled to the equal protection as trade mark. In the instant case both the plaintiffs and the defendant have common field of activity. There can be no doubt that the two marks/domain names. "RADIFF" of the plaintiffs and 'RADIFF' of the defendants are almost similar. When both domain names are considered it is clearly seen that two names being almost similar in nature there is every possibility of internet user being confused and deceived in believing that both domain names belong to one common source and connection although two belong to different persons. Finally the court decided the matter in favour of the plaintiff saying that there is always a possibility of the first user accessing the defendants' website believing it to be the plaintiffs' website because of the close similarity in the domain names.

- **RESEARCHER'S OBSERVATIONS:**

The controversy in the present case centres around the domain name on the Internet. Undoubtedly the Internet is one of the important features of the Information Revolution. The court has again recognized the domain names are valuable corporate assets and therefore it is entitled to equal protection as trademark. It is interesting to note that the court in such cases has applied the same principles of trademark law and passing off for protecting domain names.

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3) MANISH VIJ AND ORS. V. INDRACHAGH AND ORS.\(^\text{28}\)

**BRIEF FACTS:**

Plaintiffs are proprietors of the domain name "www.kabadibazaar.com" and trade-mark, in relation to the information website, dealing with second hand goods on the internet. They are involved in the business of e-commerce since April, 1999. Plaintiffs instituted the suit for permanent injunction restraining the defendants from operating any business, making, selling/transferring, offering for sale, advertising and in any other manner dealing with the goods or services using domain name "www.kabadibazaar.com" or any other combination as a website on the internet, identical with or descriptively similar to plaintiffs' trade name/domain name "www.kabadibazaar.com" as is likely to lead to passing off the business of the defendants as those of plaintiffs.

**MAIN CONTENTIONS/ISSUES:**

The main contention was that the issue if not of infringement but that of passing off. In order to prove that the registration of domain name was abusive and in bad faith the plaintiff referred to WIPO Uniform Dispute Resolution Policy, 1999. It was submitted that as per para (4) of the said policy, which sets forth the conditions to be proved for showing abusive registration are satisfied in the present case. The undisputed concepts like internet, domain names and their registration were also discussed by the parties.

**COURT'S DECISION:**

The court after taking into consideration the authorizes for domain name as well as trademark protection held that the term ‘Kabadibazaar’ is a descriptive word and hence cannot serve as a trademark unless it is proved that it has acquired a second meaning. The same is not substantiated by sufficient proof on part of the plaintiff. Further the allegations of abusive registration and cybersquatting are also not substantiated. Thus, the court dismissed the application under order 39 rule 1 and 2 of the Code of Civil Procedure, 1908, 1908.

\[^{28}\text{AIR 2002 Delhi 243.}\]
• RESEARCHER’S OBSERVATIONS:

In this case the court applied the rules laid down under the WIPO Uniform Dispute Resolution Policy, 1999 to establish abusive registration. This case also discusses the concepts like the internet and the registration system of domain names at length. The principles of descriptive terms that are applicable to trademark generally are applied to domain names which proves that the court treats both domain names and trademarks on the same platform. It is interesting to note that even though the national court system does not consider WIPO Arbitration Panel decisions binding, they have made various findings and judicial decisions based on the ICANN’s UDRP Policy. This shows that courts find the Policy to be a sound authority on domain name cybersquatting disputes.

4) SATYAM INFOWAY LTD. V. SIFYNET SOLUTIONS PVT. LTD

The Appellant, incorporated in 1995, registered several domain names like www.sifynet, www.sifymall.com, www.sifyrealestate.com etc. in June 1999 with the internationally recognised Registrars, viz the Internet Corporation for Assigned Names and Numbers (ICANN) and the World Intellectual Property Organisation (WIPO). The respondent started carrying on business of internet marketing under the domain names, www.siffynet.net and www.siffynet.com from 5th June 2001. The respondent claims to have obtained registration of its two domain names with ICANN on 5th June, 2001 and 16th March, 2002 respectively. Appellants coined the word ‘Sify’ being a combination of its corporate name, Satyam Infoway. A notice was served to the respondent on coming to know that they are using word ‘Sify’ as part of their corporate and domain name. In this suit before the City Civil Court, an interim injunction was granted. Being aggrieved by this order, High Court of Karnataka was approached by the respondent by way of filing an appeal which was allowed by the High Court on the ground that the respondent would be put to great hardship and inconvenience and also irreparable injury in case the injunction order was granted. On the other hand, since the Appellant had a separate trade name, namely, Satyam Infoways, no injury or hardship would be caused to the Appellant if the order of injunction was not granted.
• **MAIN CONTENTIONS/ISSUES:**

The core issue in the present case is whether internet domain names are subject to the legal norms applicable to other intellectual properties such as trademarks? Further the court considered as to whether a domain name can be said to be a word or name which is capable of distinguishing the subject of trade or service made available to potential users of the internet. The court also assessed the applicability of the principles of trademark law particularly relating to passing off in case of domain names.

• **COURT’S DECISION:**

The court in order to answer whether a domain name can be said to be a word or name which is capable of distinguishing the subject of trade or service made available to potential users on the internet, analyzed various definitions like ‘trademark’, ‘mark’, ‘goods’ and ‘services’ as provided under the Trademarks Act, 1999. The court answered this question affirmatively. It was substantiated by detail deliberation on the function and role of domain name in the advanced age of technology. It was held that the function of a domain name has undergone a change from being a mere means of communication to a mode of carrying on commercial activity. Domain name now is used as a business identifier. It was for the first time expressly opined by the court that a large number of trademarks containing the same name can comfortably co-exist because they are associated with different products, belong to business in different jurisdictions etc, the distinctive nature of the domain name providing global exclusivity is much sought after.

In order to assess the applicability of the principles of trademark law particularly passing off the court considered key elements of passing off by referring to cases on the same issue. Further the court confirmed that in recent past the courts in all cases have applied the law relating to passing off to domain name disputes. Reference was made to numerous decisions which were reflecting the same law as pronounced by this court in the present

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case. However, the court marked some distinction between a trademark and a domain name as well. The distinction lies in the manner in which the two operate. A trademark is protected by the laws of a country where such trademark may be registered. Consequently, a trademark may have multiple registrations in many countries throughout the world. On the other hand, since the internet allows for access without any geographical limitation, a domain name is potentially accessible irrespective of the geographical location of the consumers. The outcome of this potential for universal connectivity is not only that a domain name would require worldwide exclusivity but also that national laws might be inadequate to effectively protect a domain name. The lacuna necessitated international regulation of the domain name system (DNS). This distinction is not relevant to the nature of the right but is material to the scope of the protection available to trademark and domain name owners.

The court very remarkably held that India does not have any specific legislation which explicitly refers to dispute resolution in connection with domain names. But although the operation of the Trade Marks Act, 1999 itself is not extra territorial and may not allow for adequate protection of domain names, this does not mean that domain names are not to be legally protected to the extent possible under the laws relating to passing off.

Finally the Apex court decided the matter in favour of the Appellant on the grounds of loss of goodwill in the mark ‘sify’, close visual and phonetic similarity between ‘Sify’ and ‘Siffy’, Appellant being a prior adopter and user and the balance of convenience was also found to be in favour the Appellant.

- **RESEARCHER’S OBSERVATIONS:**

The Apex court through this decision set the law for the protection of domain names. Before this decision also the judiciary has always been positive and proactive in protecting domain names. However, in any of the decisions before the present one the legal question on applicability of the principles of trademark law for protection of domain names was not elaborately discussed. This case is a judicial acknowledgement of the domain name protection through principles of trademark law. Domain name was recognized to have all features of the trademark and hence found to be entitled to equal protection compared to trademark.
Chapter 6: Emerging Judicial Trends

5) CASIO INDIA CO. LIMITED V. ASHITA TELE SYSTEMS PVT. LIMITED

- BRIEF FACTS:
Plaintiff, Casio India Ltd., is aggrieved by the registration of domain name "www.casioindia.com" by defendant Ashita Tele Systems Pvt. Limited. Plaintiff is a 100% subsidiary of Casio Computer Ltd, Japan (Casio Japan) which is the registered owner of the trade mark 'Casio' in India used for a large number of electronic and other products. Plaintiff, namely, M/s Casio India Co. Ltd. vide an agreement dated 7.11.2000, was made the sole marketing and selling agent of Casio Japan in India. Plaintiff claims to have been given the sole and exclusive right to use the said trade mark in India. Plaintiff has obtained the registration of large number of domain names in India. These are Casio India Company .com, Casio India. Organisation, Casio India.net, Casio India.info, Casio India. Biz, Casio India Co.in etc. Casio Japan has similarly registered domain names worldwide casio.co.jp, casio.com etc. Plaintiff avers that the parent company has global reputation for the use of the trade mark 'Casio' all over the world and in particular in Japan and India. The present suit is filed by the plaintiff claiming that the impugned registration of domain name by Ashita Tele Systems Pvt. Limited is identical and confusingly similar to plaintiff's trade mark 'CASIO'. Defendant has no right or legitimate interest in respect of plaintiff trade. The domain name is registered to gain illegal and unauthorized benefit out of the use of plaintiff's brand name 'CASIO'

- MAIN CONTENTIONS/ISSUES:
The court in the present case raised four issues in order to judge the entitlement of the injunction on part of the plaintiff. These issues are:

- Locus to institute suit and claim injunction.
- Territorial jurisdiction to try and entertain the suit.
- Prima facie case and balance of convenience.
- Whether plaintiff is disentitled to injunction on account of delays, laches and acquiescence.

The relevant aspect to be analysed here is the territorial jurisdiction to try and entertain the suit. The defendant raised a contention that the court does not have territorial jurisdiction.

30 2003 (27) PTC 265 (Delhi).
to try and entertain this matter as the defendant, Ashita Tele Systems Pvt. Limited does not reside or carry on business within the territorial limits of this court. Further there is no express disclosure with regard to cause of action taking place fully or in part within the jurisdiction of this court.

- **COURT’S DECISION:**

The decision of the court was founded on the issue of jurisdiction to try and entertain the matter. The court particularly held that the objection raised by the defendant with regard to territorial jurisdiction is required to be assessed in the proper perspective in the context of development and advances in the field of information technology. Here the court tried to go beyond the usual consideration of arising of cause of action as a ground of assessing jurisdiction because the suit relates to an action for passing off in respect of a domain name and not to any allegation of any clandestine specific sale of tangible products within the territory. The court for determining the issue of jurisdiction considered a few significant observations made in various decisions\(^\text{31}\) regarding protection of domain names. The court further persuaded to accept that due to ubiquity, universality and utility of the features of the Internet and the World Wide Web (WWW), any matter associated with it, possesses global jurisdiction.\(^\text{32}\) Thus the court finally decided the issue of jurisdiction in favour of the plaintiff with the following observations.\(^\text{33}\)

“No access to the impugned domain name website, could be had from anywhere else, the jurisdiction in such matters cannot be confined to the territorial limits of the residence of the defendant. Furthermore in a passing off action it is not incumbent upon the plaintiff to prove any actual sale or any particular act of deception, mere likelihood of deception, whereby an average person is likely to be deceived or confused is sufficient to entertain an action for passing off. Therefore, it is not at all required to be proved that any actual deception took place at Delhi. Accordingly the fact that the website of defendant No. 1 can be accessed from Delhi is sufficient to invoke the territorial jurisdiction of the Delhi High Court. Accordingly, the objections with regard to the territorial jurisdiction are without merit and this Court can try and entertain the suit.”


\(^{33}\) St. Ives Laboratories Inc (n 10) para 5.
• **RESEARCHER’S OBSERVATIONS:**

This case was first of its kind where an injunction was allowed against the defendant from using a domain name on the basis of the fact that the website of the defendant can be accessed from Delhi, which is sufficient to invoke the territorial jurisdiction of this Court. The court addressed the issue of jurisdiction in case of domain name for the first time in this case. It was decided that mere accessibility of a website is sufficient to invoke territorial jurisdiction of the court. Thus the court appreciated the universality of internet as a medium of trade and commerce.

6) (India TV) Independent News Service Pvt Limited v. India Broadcast Live LLC and Ors.\(^{34}\)

• **BRIEF FACTS:**

The plaintiff company runs a Hindi news channel INDIA TV which was launched in March 2004. It is stated that the channel is one of the leading Hindi news channels in India having popular programs such as Breaking News and other programs such as *India Beats, Jago India, Aapki Adalat* etc. Besides the news channel INDIA TV, the plaintiff is the owner of the domain name indiatvnews.com which is has been registered by the plaintiff on 18.11.2003. This channel is made available for live viewing on the said website. The plaintiff came across the website of defendant nos. 1 and 2 - indiatvlive.com in January 2007 while carrying out an Internet search. The said website contains the words INDIA TV displayed prominently inside the sketch of a television. On search of the _WHOIS_ database of the registering authority, it was found that the same was registered through GODADDY.COM i.e. defendant No. 3. Thus in this set of circumstances, the plaintiff thus filed the present suit against the defendants for permanently restraining the them from the use of the mark INDIA TV either as a domain name or in any other manner whatsoever on its website links, electronic material etc, from offering services through the said domain name and restraining the defendants from transferring or alienating or in any manner dealing with the said domain name. The plaintiff has also prayed for a mandatory injunction directing the transfer of the said domain name to the plaintiff besides claiming damages.

\(^{34}\) 2007 (35) PTC 177 (Del).
and rendition of accounts. On 19/01/2007 an ex parte injunction was granted restraining defendant Nos. 1 and 2, their directors, officers, agents, licensees, franchises and representatives from using any domain name containing the combination of words INDIA TV as also from transferring or alienating the said domain name to any person. Defendant No. 1 thereafter filed is 1366/2007 under Order 39 Rule 4 of the Code of Civil Procedure, 1908, 1908 for setting aside the ex parte ad interim injunction granted on 19.01.2007 on the ground that defendant no. 1 is a company formed and existing in the US having no presence in India. On the other hand, the defendant no. 1 filed an action in the Arizona Courts on 20/02/2007. This action was filed on the ground that all the defendants in the present case are American entities not amenable to the personal jurisdiction of the court. Further, the defendants do not reside or work for gain in India and that the promoters of defendant No. 1 are both permanent residents of the US. Defendant No. 1 is a Delaware Corporation. The registrar of domain names godaddy.com which is the authority which has to ultimately enforce any court order in respect of the impugned domain name is based in Arizona and thus the District Court at Arizona is the forum convenience to decide the present dispute. Another application was then filed by the plaintiff under the provisions of Order 39 Rules 1 and 2 of the Code of Civil Procedure, 1908, 1908 seeking an injunction against defendant No. 1 from proceeding with the action instituted by it in the Arizona District Courts against the plaintiff in respect of reverse domain name hijacking seeking a declaration of non-infringement of the plaintiff’s mark by defendant No. 1. The plaintiff was served with summons in the said suit on 20.02.2007. Thus, the plaintiff prayed for an anti-suit injunction. All these applications are heard and decided together by this Court.

- **MAIN CONTENTIONS/ISSUES:**

The most important issue to be considered in the present case was of personal jurisdiction. In absence of any conclusiveness on the same the court cannot grant anti-suit injunction as prayed by the plaintiff. The court discussing the governing principles for granting anti-suit injunction made reference to the judgment of the Apex Court in Modi Entertainment Network and Anr. v. W.S.G. Cricket Pvt. Ltd.\(^{35}\) The relevant principles to be analysed here are,

\(^{35}\) [2003] 1 SCR 480.
a) The defendant, against whom injunction is sought, is amenable to the personal jurisdiction of the court;

b) 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 convenience) having regard to the convenience of the parties and may grant anti-suit injunction in regard to proceedings which are oppressive or vexatious or in a forum non-convenience.

The plaintiff in order to convince the court on personal jurisdiction over the defendant contended that Defendant No. 1 has more than sufficient minimum contacts in India for personal jurisdiction to be exercised by the Delhi Court. The web site of defendant No.1 is an active one which permits subscribers from India to subscribe to its services. The impugned website provides a form for subscription to services provided by the defendant No.1’s website and the options under the head “Country” includes ‘India’. The website can not only be accessed from but also subscribed to from Delhi and thus the defendant No.1 is carrying on business for profit or gain from India. Defendant No. 2 is controlling authority of defendant No.1 and has its office in India as per the information given on its own website. The written statement shows that the promoters of defendant No.1 are of India origin. Para 3 of the written statement states that the website ‘indiatvlive.com’ was launched at New Delhi on 17.8.2007 and thus the defendants have sufficient minimum contacts with Delhi, and thus, the Delhi court can exercise jurisdiction. The defendant on the same issue of exercising personal jurisdiction contended that the Delhi High court is not the court of competent jurisdiction not being the appropriate forum/forum convenience. Further, the defendants in the present case are American entities not amenable to the personal jurisdiction of the Delhi court. The defendants do not reside or work for gain in India and that the promoters of Defendant No. 1 are both permanent residents of the US. The Registrar of the domain name ‘godaddy.com’ which is the authority which has to ultimately enforce any court order in respect of the impugned domain name is based in Arizona and thus, the district court Arizona is the forum convenience to decide the present dispute. The District Court at Arizona has personal jurisdiction over defendant No. 3 as well as defendant No. 1. The domain name registration of defendant No. 1 was placed under lock and upon suspension of domain name, defendant No. 1 had no option but to file a
complaint under the relevant US statute being the Ant cybersquatting Consumer Protection Act, 1999. Thus the Delhi High Court does not have jurisdiction in this matter.

- **COURT'S DECISION:**

It is pertinent to note the observation of the Supreme Court in Modi Entertainment Network and Anr. v. W.S.G Cricket Pvt. Ltd\(^{36}\) as quoted by the court in the present case while discussing the governing principles and the approach of Indian courts in granting anti-suit injunction:

“The courts in India like the courts in England are courts of both law and equity. The principles governing grant of injunction - an equitable relief - by a court will also govern grant of anti-suit injunction which is but a species of injunction. When a court restrains a party to a suit/proceeding before it from instituting or prosecuting a case in another court including a foreign court, it is called anti-suit injunction. It is a common ground that the courts in India have power to issue anti-suit injunction to a party over whom it has personal jurisdiction, in an appropriate case. This is because courts of equity exercise jurisdiction in personam. However, having regard to the rule of comity, this power will be exercised sparingly because such an injunction though directed against a person, in effect causes interference in the exercise of jurisdiction by another court.”

One of the conditions for grant of anti-suit injunction is the amenability of the defendant to the personal jurisdiction of the court. The Court as relied upon by the learned counsels of the parties, considered various decisions of the US in order to determine the issue of exercising personal jurisdiction over the defendants. The position in the United States, in this behalf, as enunciated in the judgments referred to by the learned Counsels for the parties, is to inquire firstly, whether jurisdiction can be exercised under the 'long arm' statute of the state and secondly, whether the finding of jurisdiction satisfies the constitutional requirements of due process. American Courts basically apply a three part test to determine whether specific personal jurisdiction can be exercised over non-resident defendants. These include an act or transaction within the forum state by which the defendant purposefully avails himself of the privilege of conducting activities within the

\(^{36}\) ibid.
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forum; claim/cause of action arising out of the defendant's forum related activities and whether the acts of the defendant or its consequences have a substantial enough connection with the forum to make the exercise of jurisdiction over the defendant reasonable. Besides, whether the defendant's conduct had an effect in the forum state (an effects test) would also be seen. As regards the exercise of personal jurisdiction in cases involving Internet activities, the position appears to be that mere 'passive' posting of a website does not give jurisdiction to the court within whose jurisdiction, the complainant company is present. Thus, personal jurisdiction cannot be exercised over non-residents merely because their website is accessible within the jurisdiction of the court. There has to be something more to indicate purposeful direction of activity to the forum state in a substantial way. In Cybersell Inc. case, limited interactivity of the website restricted to received browser's name and expression of interest but not signing up for the services provided was not considered to be sufficient for the exercise of jurisdiction. Insofar as the position in this country is concerned, there is no 'long arm' statute as such which deals with jurisdiction as regards non-resident defendants. Thus, it would have to be seen whether the defendant's activities have a sufficient connection with the forum state (India); whether the cause of action arises out of the defendant's activities within the forum and whether the exercise of jurisdiction would be reasonable. The court also considered the reliance placed by the learned counsel on Casio India Co. Ltd v. Ashita Tele Systems Pvt. Ltd to advance the proposition that the fact that the website of the defendant can be accessed from Delhi is sufficient to invoke the territorial jurisdiction of this court in the light of the judicial principles enunciated. However, the court very clearly held that the fact that mere accessibility of a website in not a sufficient ground to exercise jurisdiction. Apart from the mere accessibility, the interactivity of the website permitting the browser to not only access but also subscribe to the services provided by the owner of the website can be considered to be a ground for exercising jurisdiction. In the present case the website indiatvlicve.com of the defendant no. 1 is not of wholly passive nature. The services provided can be subscribed to and availed in Delhi as claimed by the plaintiff. The website was launched in

37 Cybersell Inc v. Cybersell Inc and Ors, 130 F.3d 414 (9th Cir. 1997); Panavision International LP v. Dennis Toppen938 F. Supp. 616, 620 (C.D.Cal.1996).
38 ibid.
39 St. Ives Laboratories Inc (n 10).
India as well as in Los Angeles. Thus it also satisfies the condition of having sufficient connection with India. Thus, the court held that the defendant is carrying on activities within the jurisdiction of this court; has a sufficient contacts with the jurisdiction of the court and the claim of the plaintiff has arisen as a consequence of the activities of defendant No. 1 within the jurisdiction of this court. This court can thus exercise personal jurisdiction over the defendants.

The second aspect to be considered in determining whether an anti-suit injunction can be granted is which of the available forums is the forum convenient for the dispute at hand is. As contended by the defendant No. 1, this Court is not the forum convenience for dealing with the present case. It is the case of defendant No. 1 that the said defendant is entirely based in the United States and thus it is the District Court at Arizona, which is the convenience forum to be approached for claiming reliefs. Considering the contentions and the decisions of the courts of US, England and India it is held that the legal position as regards forum non convenience is that a stay on the ground of forum non convenience would be granted where a court is satisfied that there is another available forum having jurisdiction. Also the plaintiff's choice of forum is usually not disturbed unless the balance of convenience is strongly in favour of the defendant. In determining whether a more appropriate forum exists, connecting factors, such as those affecting the convenience of parties, expenses involved and the law governing the relevant transactions are to be looked into. The mere fact that a part of the cause of action has arisen within the jurisdiction of the court may itself not be considered to be a determinative factor compelling the court to decide the matter on merits. In determining which of the available forums is the forum convenience in a given matter, the convenience of all the parties had to be seen. Finally the court held that it is this court and not the court of Arizona that is the forum convenience in the present case. The court further held that the defendant 1 and 2, are amenable to the jurisdiction of this Court and have sufficient contacts with the jurisdiction of this court. Defendant No. 1 as per its written statement is based in Delaware (USA) and defendant No. 2 as per the website print outs placed on record has offices in Los Angeles, China and Delhi (India). It may be noticed that the website of defendant No. 2 no more displays the address in India. Thus, even defendants 1 & 2 are not based in Arizona where the subsequent suit has been filed by defendant No. 1. The plaintiff company is based entirely
in India with its offices at New Delhi. Thus, neither the plaintiff nor defendants 1 & 2 have any connection with Arizona. It is only defendant No. 3, the Registrar of Domain Names, which is a pro-forma party, which has its offices at Arizona. Moreover, the claim of the plaintiff has arisen as a result of the fact that the impugned website is accessible in India and any injury alleged to have been caused to the goodwill and reputation of the plaintiff would be in India. It may be noticed that the fact of filing of the suit in Arizona District Court was not disclosed by defendant No. 1 in this Court either in its written statement or in the reply to the application under Order 39 Rules 1 & 2 CPC (IA No. 651/2007) although the said suit was filed prior to filing of the written statement and reply. This fact was also not disclosed during submissions made before the court until the filing of the application under Order 39 rules 1 and 2 of the said code by the plaintiff praying for the grant of an anti-suit injunction.

The suit of the plaintiff was filed in this court on 18.01.2007 and this court is the forum of choice of the plaintiff and is the court of competent jurisdiction to adjudicate the matter in dispute. The balance of convenience is not so strongly in favour of the defendants as to warrant the stay of the present proceedings. The aforesaid shows that it is this court and not the district court in Arizona that is the forum convenience in the present matter.

- **RESEARCHER’S OBSERVATIONS:**

  This case is a rare example of a situation where Indian court considered the issue of personal jurisdiction for grant of anti-suit injunction in a dispute involving trademark and domain name. An application was made to restrain foreign proceedings in the context of internet trademark infringement and passing off. Prima facie it seems that anti-suit injunction being a specie of an injunction will be governed by the same principles for grant of injunction. Additionally, grant of anti-suit injunction may involve application of principles of private international law. However, this as it looks to be may not be easy to apply when it comes to infringement in the virtual world. The most difficult aspect is to determine the jurisdiction of the court. This becomes all the more challenging for the court as there is no uniformity due to lack of legislative framework. Facing the same challenge the court in the present case discussed the applicability of personal jurisdiction in case of issue where the defendant does not belong to India. Moreover, the dispute has taken place in the virtual world which is accessible from anywhere and everywhere. The court
considering the judicial practices prevailing in US, England, Australia and India enunciated upon the ground and principles on which personal jurisdiction can be exercised by Indian courts in such case.

7) **BANYAN TREE HOLDING (P) LTD. V. A. MURALI KRISHNA REDDY AND ANR.**

- **BRIEF FACTS:**
The unique feature of this case is neither plaintiff nor defendants are located within the territorial jurisdiction of the court. The plaintiff is part of a group of companies involved in the hospitality business. Since 1994 it adopted and used the word mark "Banyan Tree and also the banyan tree device. The plaintiff maintains the websites www.banyantree.com and www.banayantreespa.com since 1996. The said websites are accessible in India. The plaintiff does not hold a registration for the said mark and device in India. Its application for registration is stated to be pending. Since the year 2002, the plaintiff has, in collaboration with the Oberoi Group, been operating 15 spas across India. In October 2007, the plaintiff learnt that the Defendants had initiated work on a project under the name "Banyan Tree Retreat". The plaintiff has averred that the word mark and the device adopted by the Defendants in relation to their retreat is deceptively similar to that of the plaintiff. The plaintiff states that the Defendants have advertised their project on their website www.makprojects.com/banyantree. The plaintiff alleges that the use of the said mark and device by the Defendants was dishonest and was an attempt to encash on the reputation and goodwill of the plaintiff and was calculated to cause confusion and deception among the public by passing off the services of the Defendants as that of the plaintiff. Accordingly, the present suit was filed by the plaintiff for an injunction to restrain the Defendants from the use of the said mark and device.

Considering the factual situation the most important issue in this case was regarding jurisdiction. In view of the conflicting decisions on the same issue of the single bench of Delhi High Court, Hon’ble Justice S. Ravindra Bhat of the Delhi High Court hoping to find an appropriate answer to this issue referred the same to the division bench.

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40 2010 (42) PTC 361 (Delhi).
• **MAIN CONTENTIONS/ISSUES:**

In the referred order, the contention of the plaintiff is that this Court has the territorial jurisdiction under Section 20 of the Code of Civil Procedure, 1908, 1908 (CPC) to entertain the suit. According to the plaintiff the Defendants solicit business through use of the impugned mark "BANYAN TREE RETREAT" and the Banyan device in Delhi. It is stated that "the Defendants have presence in Delhi through their website http://www.makprojects.com/banyantree.htm which is accessible in Delhi." It is further contended that "the said website is not a passive website. It not only provides contact information but also seeks feedback and inputs from its customers through an interactive web-page." Further, the plaintiff submits that the services of the Defendants are being offered to the customers in Delhi "also because of the ubiquity, universality and utility of the features of the Internet and the World Wide Web and hence the cause of action has arisen within the jurisdiction of this Court." Interestingly the plaintiff has not claimed jurisdiction under section 134 (2) of the Trademarks Act, 1999. Justice Ravindra Bhat in the referred order, formulated eight criteria to determine when can the court in such situation assume jurisdiction.

→ Connections between the forum and the plaintiff’s claim
→ Connection between the forum and the defendant
→ Unfairness to the defendant in assuming jurisdiction
→ Unfairness to the plaintiff in assuming jurisdiction
→ Involvement of other parties to the suit
→ The court’s willingness to recognize and enforce an extra provincial judgment rendered on the same jurisdictional basis
→ Where the case is interprovincial or international in nature
→ Comity and the standards of jurisdiction, recognition and enforcement prevailing elsewhere.

The court in the referred order considered that the Parliament (Para 28, 30, 31, 32 and 33 of 2008 judgement)

The division bench found it appropriate to reframe the question referred by Justice Bhat in the following manner.
(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")?

(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?

(iii) Is it permissible for the plaintiff to establish such prima facie case through "trap orders" or "trap transactions"?

In order to answer these questions the court clarify at the outset that there the present suit is of passing off and not of infringement. If it would have been an action of infringement then section 134(2) of the Trademarks Act, 1999 would have been invoked and accordingly this court would have jurisdiction to entertain the suit although the defendant does not reside or carries on business within its jurisdiction. However, the present suit is of passing off in which neither the plaintiff nor any of the Defendants voluntarily resides or carries on business within the local limits of Delhi. Consequently, neither Section 20(a)\(^{41}\) nor Section 20(b)\(^{42}\) of the Code of Civil Procedure, 1908 applies. The plaintiff seeks to find the territorial jurisdiction of this Court in terms of Section 20(c)\(^{43}\) The Code of Civil Procedure, 1908. In other words, according to the plaintiff the cause of action, wholly or in part, arises within the jurisdiction of this Court. This, according to the plaintiff is on account of two factors. Firstly that the website of the Defendants is accessible in Delhi; it is not a passive website but used for soliciting business in Delhi. Secondly, that there was at least one instance of the Defendants' brochure being sent to a Delhi resident for the purposes of sale of property.

• **THE COURT'S DECISION:**

The court while deciding the first question regarding jurisdiction held that jurisdiction of the court is not merely attracted on the basis of interactivity of the website which is

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\(^{41}\) CPC, 1908 s 20(a).

\(^{42}\) ibid s 20(b).

\(^{43}\) ibid s 20(c).
accessible from the forum state. The court also very clearly held that apart from the interactivity of the website, the degree and nature of the activity permissible and whether the same results into commercial transaction has to be examined. The court considering the judicial approach of US courts held that 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. Further for the second question on extent of burden prima facie on plaintiff to establish that the forum court has jurisdiction the court held that the plaintiff here has to show that the defendant has purposefully availed the jurisdiction of this court. In the present case, by enabling customers to go on the website and get a copy of its brochure and make enquiries, the Defendant must be held to have purposefully availed of the jurisdiction of this Court. The question that arises is for the purposes of Section 20(c) CPC, in such circumstances, what is the extent of the burden on the plaintiff to show prima facie that a part of the cause of action arose within the jurisdiction of the forum court. Thus the court held that the plaintiff must show involvement on part of the defendant in some sort of commercial activity in the forum state by targeting its website specifically at customers within that state. The court by summing up the purpose of section 20(c) held that 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 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.

In order to answer the last question it was held that the plaintiff has to show that a part of the cause of action in a suit for passing off or infringement has arisen within the jurisdiction of the forum court. Relevant to this, it would have to be shown by the plaintiff that the Defendant "availed" of the jurisdiction of the forum court by commercially transacting with a viewer located in the forum state through the internet. The question is whether this transaction can be a 'trap transaction' that is engineered by the plaintiff itself, particularly
when it is not otherwise shown that the Defendant intended to specifically target customers in the forum state. Apart from the trap transactions that may be used as evidence, the court held that the fairness of such transactions is also a relevant factor. The plaintiff seeking to establish jurisdiction on the basis of such trap transactions would have to aver unambiguously in the plaint, and also place along with it supporting material, to prima facie show that the trap transactions relied upon satisfy the above test.

The court summarizing the above mentioned findings and taking into consideration the judicial approach of the courts of US, UK, Canada, Australia and India answered the specifically framed questions in the following manner.

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 plaint, and also place along with it supporting material, to prima facie show that the trap transactions relied upon satisfy the above test.

The court ordered the matter to be placed again before the single judge for deciding it on the merits. While answering the specific questions raised by the single judge the court held that the plaintiff has been able to show prima facie that this court has jurisdiction.

- **RESEARCHER’S OBSERVATIONS:**

This is a milestone judgment where the court made some key observations on jurisdictional issues in case of trademark violations in the virtual world. This decision is given in a referred case by the single judge. Taking into consideration the conflicting decisions on the question of jurisdiction over internet, this decision of the Delhi high court has added a new episode on protection of trademark in India. The court has accepted that gone are the days when internet was used only as a means of communication. In the era of globalization it has become an important tool of trade and commerce worldwide. This is a unique case where neither of the parties had physical presence within the jurisdiction of the court.
However, the court determined the jurisdiction on the ground of active internet presence with the help of procedural provision regarding cause of action as provided in the Code of Civil Procedure, 1908. Thus, this is a comprehensive adjudication where the issue of jurisdiction is not only elaborately discussed but also appropriately decided. The issue of jurisdiction in this case is discussed based on ‘cause of action’ and not on the basis of the expression ‘carrying on business’.

8) WORLD WRESTLING ENTERTAINMENT, INC. VS. RESHMA COLLECTION\textsuperscript{44}

BRIEF FACTS:
This is an appeal directed against the order dated 04.10.2013 passed by a learned Single Judge of this Court in CS(OS) 1801/2013, whereby the plaint filed by the Appellant/plaintiff was directed to be returned to the Appellant/plaintiff under Order 7 Rule 10 of the Code of Civil Procedure, 1908, 1908 (hereinafter referred to as 'the CPC'), to be presented before a court of competent jurisdiction. Thus, the key issue before the division bench was to determine whether the court has jurisdiction to try the matter.

The Appellant/plaintiff is a company incorporated under the laws of the State of Delaware, United States of America and that all the defendants reside in Mumbai and do not carry on business within the jurisdiction of this Court. The Appellant/plaintiff claimed that this Court has jurisdiction to entertain the said suit on account of the provisions of Section 134(2) of the Trademarks Act, 1999. The Appellant/plaintiff is engaged in the development, production and marketing of television programming, pay-per-view programming, live events and the licensing and sale of branded consumer products featuring its well-known World Wrestling Entertainment (WWE) brand. The WWE scratch logo and World Wrestling Entertainment are registered trademarks of the Appellant/plaintiff worldwide including India. The Appellant/plaintiff is also the owner of the copyright of the pictorial representations of World Wrestling Entertainment and WWE Wrestlers and the WWE scratch logo as they appear on various publicity materials and promotional merchandise of the Appellant/plaintiff. The Appellant/plaintiff also has trademark registrations in respect of various WWE talent names and talent slogans such as John Cena, Batista, Undertaker,

\textsuperscript{44} 2014 (60) PTC 452 (Del).
Triple H, Randy Orton etc. The Appellant/plaintiff alleged that the defendants, who are stationed at Mumbai, are engaged in the business of manufacture and sale of various forms of garments and apparel, such as T-shirts, wrist bands, caps and other counterfeit goods and garments bearing the reproductions of the plaintiff's talents. According to the Appellant/plaintiff, the defendants are infringing the Appellant/plaintiffs registered trademarks. It is alleged that the apparels sold by the defendants bear the images of WWE talents and, representations of the well-known WWE characters are displayed prominently on the defendant's products. The learned Single Judge, by virtue of the impugned order, has, without issuing summons in the said suit, directed the return of the plaint to the Appellant/plaintiff by holding that the Delhi High Court would have no territorial jurisdiction in so far as the said suit was concerned. The learned Single Judge rejected the pleas raised on behalf of the Appellant/plaintiff that this Court had territorial jurisdiction to entertain the suit by virtue of the provisions of Section 134(2) of the Trademarks Act, 1999. The Division Bench is approached against this order.

- **MAIN CONTENTIONS/ISSUES:**

Before the single Judge the Appellant contended that the court has jurisdiction on the following grounds:

- The Plaintiffs’ programmes, consisting of its various characters including John Cena, Undertaker, Triple H, Randy Orton and Batista are broadcast at Delhi, within the territorial limits of this Court;
- The Plaintiffs’ products, such as its merchandising goods and books, are available within the territorial limits of this Court;
- The Plaintiffs’ goods and services are sold to consumers in Delhi through its websites which can be accessed and operated from all over the country, including from Delhi.

An application to return the plaint on the ground of lack of territorial jurisdiction was filed by the respondents. The single judge dismissed the suit on the ground of lack of jurisdiction relying upon the decision of the Supreme Court in Dhodha Case45 where the court held that substance of the criteria laid down in this case was that an essential part of the plaintiff's business, coupled with an element of control exercised by the plaintiff, must exist in such

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45 Dhodha House (n 1).
a place where the plaintiff claims to be carrying on business either on its own or through an exclusive agent. Further the reliance was placed on Bhagwan Goverdhandas Kedia v. Girdharilal Parsottamdas & Co. the court observed that merely because of the e-commerce models, which have become prevalent, and because of the use of the internet as a medium for doing business, the tests, which apply for determination of issues, such as, when and where the contract is made or whether the vendor carries on business at the place where the merchandise may be sold, or service may be offered, would not change and would be the same as applicable to communications over the telephone and fax. In addition to this the Learned Single Judge made a specific observation that whenever the legislature thought it necessary, it amended the laws to make provision for the "new media". He observed that while enacting the Information Technology Act, 2000 and amending other statutes, Parliament had consciously not amended the Trademarks Act, 1999 or the Copyright Act, 1957 or the Code of Civil Procedure, 1908, 1908 for expressly bringing in the concepts with regard to 'new media'. Consequently, it was observed by the learned Single Judge that the 'new media' did not change the basic concepts or legal principles which applied to trade and commerce and they continued to remain the same as applicable to the "old media" i.e., telephone and fax.

Thus, considering the contentions and above discussed reasoning the learned Single Judge rejected the plea of the Appellant that the Delhi High Court would have jurisdiction.

The Appellant raised a contention that it "carries on business" in Delhi because, according to it, its programmes are broadcast in Delhi; its merchandise and books are available for sale in Delhi; and its goods and services are sold to customers in Delhi through its website which can be accessed in Delhi over the internet.

- COURT'S DECISION:

Considering the main issue of jurisdiction and the contention taken by the Appellant, the court recognized that the meaning of the expression ‘carries on business’ as provided under section 20 of the Code of Civil Procedure, 1908, and section 134 of the Trademarks

\[46^{46}\] AIR 1966 SC 543.
Act, 1999 requires to be minutely considered. For this the court examined the decision of the Apex Court in Dhodha House case\textsuperscript{47} where three conditions are laid down for the purpose of establishing that a plaintiff is ‘carrying on business’ within the territorial limits of the court.

- the agent must be a special agent who attends exclusively to the business of the principal and carries it on in the name of the principal and not as a general agent who does business for any one that pays him;
- the person acting as agent, must be an agent in the strict sense of the term and a manager of a Joint Hindu Family cannot be regarded as an "agent" within the meaning of this condition; and
- to constitute "carrying on business" at a certain place, the essential part of the business must be performed at that place.

The court further stated that the main issue is to decide as to whether on the basis of the averments made, the Appellant carries on business in Delhi. The Apex Court in this decision stated that the term ‘carries on business’ is very wide and therefore it is necessary that the three conditions specified must be satisfied. However, in the present case the Delhi High Court opined that considering the factual records the first two conditions as specified by the Apex Court would not be applicable as they relate to agents and it is an admitted position in this case that the Appellant does not have any agent. However, it is the Appellant/plaintiffs’ case that it carries on business in Delhi directly in as much as its goods and services are sold to consumers in Delhi through its website which is accessed in Delhi. It is on this basis that the learned counsel for the Appellant/plaintiff submitted that the decision in Dhodha House\textsuperscript{48} as also in Archie Comic\textsuperscript{49} would really not be applicable in the present case as in those decisions web-based business models, which have been referred to as the 'new media', were not considered. The question which then arises is whether the introduction and spread of e-commerce and business over the internet impacts the meaning of the expression 'carries on business' at a certain place. The learned Single Judge felt that the introduction of the new business models of doing business over the

\textsuperscript{47} Dhodha House (n 1)
\textsuperscript{48} ibid.
\textsuperscript{49} Archie Comic Publications Inc (n 15)
internet was not any different from the old model of doing business over the telephone or fax. Therefore he had placed reliance on the Supreme Court decision in the case of Bhagwan Goverdhandas Kedia.\textsuperscript{50} Considering the third condition as specified in the Dhodha House case\textsuperscript{51} in order to constitute ‘carrying on business’ at a certain place, the essential part of the business must take place there. Now assessing the same aspect in the backdrop of internet the court held that the question that needs to be answered is when is the transaction takes place over the internet and at which place essential part of the business takes place? In this case, the plaintiff/Appellant is incorporated in USA. It has a website. It is not known as to where that website is hosted. The server would, in all likelihood, be in USA. It has not been pleaded that the website of the Appellant/plaintiff is hosted on a server in Delhi. Therefore, it can be safely presumed that the web server is not located in Delhi. However, if a customer in Delhi wishes to purchase an article, which is available on the website of the Appellant/plaintiff, the purchaser in Delhi accesses the said website on his or her computer in Delhi. The said purchaser places the order for the said article from his computer in Delhi. The payment is made either through a credit/debit card or through a cash card from Delhi and ultimately the goods are delivered to the customer in Delhi. In the nature of such transactions, the question arises as to which is the place where the essential part of the business occurs? In order to answer this question the court considered the view taken by the Apex Court way back in 1966 in the Bhagwan Giridharidas Kedia case\textsuperscript{52} where the Supreme Court also undertook to compare contracts concluded over the post and telegraph on the one hand and contracts concluded over the telephone on the other. The ordinary rule with regards a contract is that a contract is completed only when acceptance is intimated. An exception is engrafted upon this rule in respect of offers and acceptances by post and by telegrams is to be accepted. It was clearly held by the Supreme Court here that in case of an oral contract concluded on a telephone, negotiations are concluded instantaneously. Thus, in such a case the contract is concluded when the acceptance is communicated.

\textsuperscript{50} Bhagwan Goverdhandas Kedia (n 46)  
\textsuperscript{51} Dhodha House (n 1)  
\textsuperscript{52} Bhagwan Goverdhandas Kedia (n 46)
The Delhi high court applied these principles to the transactions over the internet. The court stated that the website of the Appellant/plaintiff refers to various goods and services. It is not an offer but an invitation to an offer, just as a menu in a restaurant. 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 Appellant/plaintiff. When, through the mode of the software and the browser, the transaction is confirmed and payment is made to the Appellant/plaintiff through its website, the Appellant/plaintiff accepts the offer of the customer at Delhi. Thus, the court held that as the transaction between the two takes place instantaneously, the acceptance by the Appellant/plaintiff is instantaneously communicated to its customer through the internet at Delhi. Therefore, in such a case, part of the cause of action would arise in Delhi. The court further clarified that it is not concerned with the question of cause of action between the Appellant and its customers in Delhi because the defendants are not the customers and they are the residents of Mumbai.

The Court dealing with the third condition as specified in the Dhodha Hose\(^{53}\) case answered the question as to whether the transaction took place in Delhi or not in the following manner in para. 24:

> "If the contracts and/or transactions entered into between the Appellant/plaintiff on the one hand and its customers are being concluded in Delhi, can it not be said that the essential part of the business of the Appellant/plaintiff, insofar as its transactions with customers in Delhi are concerned, takes place in Delhi? 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\)

\(^{53}\) Dhodha House (n 1)
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”.

Relying upon the contentions and the precedents, the court finally held that the Delhi High court would, on a demurrer, have jurisdiction to entertain the suit inasmuch as the Appellant/plaintiff would be regarded as carrying on business in Delhi within the meaning of the expression under Section 134(2) of the Trademarks Act, 1999 and Section 62(2) of the Copyright Act, 1957.

- **RESEARCHER’S OBSERVATION:**

This decision set the latest position on the jurisdiction in case of trademark disputes in the virtual world. This decision is considered to be progressive as the court taking liberal view specifically applied only the third condition for determining jurisdiction as prescribed by the Supreme Court. It is pertinent to note that in the Dhodha House case the Apex Court very clearly held that considering the fact the term ‘carrying on business’ is wider than what it connotes in the general parlance, it is necessary that the three conditions specified must be satisfied to hold a person ‘carrying on business’ at a certain place. This court considering the nature of the new media, i.e. internet and its typical factual background of the present case held that these three conditions are not applicable.

This decision goes a step forward in determining jurisdiction in context of internet as compared to the Banyan Tree Holding Case of the same court as decided in 2009. Further through this decision the court has appreciated that due to 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. Thus, the courts view that the availability of

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54 Dhodha House (n 1)
55 St. Ives Laboratories Inc (n 10)
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 has made the whole of India available for invoking territorial jurisdiction in case of trademark disputes involving websites. The question that arose here is whether this kind of liberal view is necessary? Will it be possible to apply the law with the certainly and uniformity with which it was laid down? These questions will be answered by court only when such cases of misuse of this judicial interpretation will be brought again before the court.

6.3 CHAPTER CONCLUSION

It is fairly clear from the above discussion that the judiciary in India has recognized that technological advancement and globalization have changed the nature of trademark as intellectual property. The use of a trademark is no more limited to a particular territory only which in turn has posed distinct challenges for legal enforcement of trademark rights. However, the trademarks are still protected nationally but commercially exploited and used globally. The advent of internet and the globalization of trade and commerce have played pivotal role in changing the nature of the trademark disputes. This change is observed by the researcher in this chapter while dealing with the actual cases. The court in each case is faced with a distinct question of law for enforcement of trademark rights. In most of the cases the issue of jurisdiction is the key. Although the appropriate statutory provisions are laid down, the enforcement of the same have become possible only when the courts in various matters have delved into the interpretation of it. The efficiency of the Indian judiciary is noticed in these decisions. The orders that are passed in these cases are well reasoned and futuristic. While interpreting the law and solving the complex question of jurisdiction the Supreme Court and various High Courts have shown that the judicial interpretation adds life to the black letter of law which otherwise is lifeless.

It is observed that the court especially the Delhi High Court has played a proactive role in protecting intellectual property rights. For determining jurisdiction the courts have gone beyond the general rules of jurisdiction as prescribed under the Code of Civil Procedure, 1908. The court has recognized the true meaning of jurisdiction as provided under the special statutes. The intention of the legislature is aptly recognized by the court in such decisions.
The most recent judicial perspective with specific observations of the court on the issue of jurisdiction is summarized here:

- In case of composite suit of trademark and copyright violations, the Supreme Court clarified that for the purpose of invoking jurisdiction a court only because two causes of action joined in terms of the provisions of the Code of Civil Procedure, 1908, 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. This particular decision of the Supreme Court has unfolded the intricacies involved in applying the phrase ‘carries on business’ and ‘personally works for gain’ for determining jurisdiction.

- In order to maintain a suit for infringement, the cause of action would arise only if the trade mark is registered and the use of such 'registered trade mark' is infringed. Hence as on the date of the filing of the suit, if such infringement does not take place, not only the cause of action would not have arisen to file a suit for infringement, but in such situation when the suit in itself is not for infringement, the benefit of filing such a suit at a place where the plaintiff is carrying on the business would not be available as contemplated under Section 134(2) of the Act.

- Judicial pro-activeness is further assessed when the court held that the emphasis had now shifted from the residence or location of the person or authority sought to be proceeded against, to the situs of the accrual of the cause of action. The court settles the issue of jurisdiction stating that the cause of action as is trite is a bundle of facts which are necessary to be proved in a given case and if the cause of action arises within the jurisdiction of the court concerned, it empowers the court to entertain the same.

- While elucidating on the issue of jurisdiction, it is provided that the question of jurisdiction is generally a mixed question of law and facts. But in case of trademark infringements and passing off this question is a pure question of Law which is to be addressed by the court as a preliminary issue. In case of jurisdictional issues in the physical world the law on issue of jurisdiction is settled with the Supreme court
prescribing three conditions to be satisfied for invoking territorial jurisdiction of the court by interpreting the ‘carrying on business’.

- While examining the scope and applicability of section 134 of the Trademarks Act, 1999 in various cases it is explained that if the suit were to fall under clause (a) or (b) then only the plaintiff could rely on Sub-section (2) of Section 134 to contend for the position that the suit can be filed before a District Court within the local limits of whose jurisdiction the person instituting the suit at the time of institution of the suit actually and voluntarily resides or carries on business or personally works for gain. But in the case of a suit, like the present one falling under clause (c) of Section 134(1) of the Trademarks Act, the territorial jurisdiction of the court has to be decided not with reference to Sub-section (2) Section 134 but with reference to the general provisions in the Civil Procedure Code namely, Sections 15 to 20.

- In case of virtual world the issue of jurisdiction is more challenging because the location cannot be identified at a particular place only. In cyberspace the location is anywhere and everywhere. However, in such a challenging situation the Indian judiciary showing its adaptability considered the judicial perspective on it globally. Considering the practices followed by courts in US, UK, Japan, Australia in various cases the courts have recognized that the domain names are entitled to equal protection as it is available to trademark. In case of such disputes where trademarks are violated on the websites the courts step by step developed the law regarding the question of jurisdiction. Firstly the court approved that mere presence of website is sufficient to invoke jurisdiction. In the next phase of such disputes the court recognized that it may invite a situation where the plaintiff may misuse such availability of forum everywhere. Thus, in the next milestone decision it was clarified that the inter-activeness of the website will be the key to invoke the jurisdiction of the court. Lastly going a step further the court settled the legal position and held that mere accessibility or inter-activeness is also not sufficient. It is to be proved prima facie that the website was used to solicit business at a particular place to invoke jurisdiction of the forum.
In order to close the discussion in this chapter it can be concluded that the proactive, liberal and adaptive approach on part of Indian judiciary has helped resolve the issue of jurisdiction to a great extent. However, clear legislative guidelines on the same will certainly assist the judiciary meet with the challenging task of resolving complex issues of jurisdiction in case enforcement of trademark rights in physical as well as the virtual world.