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INTELLECTUAL PROPERTY

Overwhelming Jurisdictional issues in Trademark and Copyright cases

The Hon'ble Delhi High Court, in the recent judicial rulings in the cases of Indian Performing Right Society Ltd. vs. Sanjay Dalia & Others¹ ("IPRS") and Renaissance Hotel Holdings Inc., vs. B. Vihaya Sai & Others², has passed orders narrowing down the purpose and effect intended to be given by the provisions of Section 134(2) of the Trade Marks Act, 1999 ("Trade Marks Act") and Section 62(2) of the Copyright Act, 1957 ("Copyrights Act, 1957"). By way of these orders, the Hon'ble Court returned the plaint for being presented

before the proper Court upon finding that the cause of action had not arisen within its territorial jurisdiction, though the right holder instituting the proceedings pleaded that the defendants carried on business within the jurisdiction of the Hon'ble Court.

Relevant Provisions-

Section 20 of the Code of Civil Procedure, 1908 provides for filing of suits in the place where the defendant(s) actually and voluntarily resides, or carries on business, or personally works for gain or where the cause of action, wholly or in part arises (in case of more than one defendant, with the leave of the Court and acquiescence of the defendant not residing, suit may be filed at the place where the other defendant is situated).

¹ 2009 (39) PTC 1 (Del.)(DB)

² 2009 (157) DLT 265

However, with a view to remove the impediment deterring the right holders from instituting infringement proceedings at an inconvenient venue, salutary provisions of Section 134(2) of the Trade Marks Act, 1999 and Section 62(2) of the Copyright Act were enacted so as to provide the right holder instituting the suit with an additional forum and enable him to file a suit at the place of his residence or where he carries on business or place where he personally works for gain.

Section 134 of the Trade Marks Act states that in relation to infringement of a registered trade mark, no suit shall be instituted in any Court inferior to a District Court having jurisdiction to try the suit. The section further defines the term "District Court having jurisdiction".

Section 62 of the Copyright Act stipulates that a suit or any other civil proceeding in relation to copyright shall be instituted in the District Court having jurisdiction. Sub clause (2) of the said section defines the term "District Court having jurisdiction".

Decision Delivered-

The DB in the IPRS case observed that the cause of action is an integral, inseparable and inevitable part of any litigation and by reading into Section 62 of the Copyright Act and Section 134 of the Trade

Marks Act, the law is made meaningful and expedient. The High court referred to the following cases:

- (i) Oil & Natural Gas Commission vs. Utpal Kumar Basu³ where it was held that a Court should endeavor to find out the place where the cause of action has substantially arisen and reject others where it may have incidentally arisen;
- (ii) M/s. Patel Roadways Limited, Bombay v. M/s. Prasad Trading Company⁴ wherein it was held that if a corporation had a subordinate office in the place where the cause of action arose, litigation must be commenced at that place alone, regardless of the apparently wider enabling provisions in Section 20 of CPC; and
- (iii) Kusum Ingots and Alloys Limited v. Union of India⁵ where it was held that if only a small part of cause of action had arisen within the territorial jurisdiction of a particular High Court, it was not bound to entertain the petition and it would be sufficiently empowered to refer the petition to the Court where the cause of action had arisen substantially. Relying on the referred cases, the Hon'ble Court stated that this approach would be applied even where the Court is to interpret other statutes such as the Trade Marks Act and the Copyright Act.

³ JT 1994 (5) SC 1

⁴ AIR 1992 SC 1514

⁵ (2004) 6 SCC 254

Comments-

We have been given to understand that the order passed by the DB of the Hon'ble Delhi High Court in the IPRS matter is stayed by the Hon'ble Supreme Court. In our view, a precedent contrary to the rights given to the plaintiff to invoke the jurisdiction under the specific legislations such as the Trade Marks Act and the Copyright Act would make the provisions of Section 134(2) of the Trade Marks Act and Section 62(2) of the Copyright Act redundant. It is fundamental that the judiciary cannot interpret the provisions of the statute to make it redundant when there is no ambiguity in such provisions. A bare reading of these provisions would make it clear that Code of Civil Procedure would not apply in these cases, especially when it has a non-obstante clause on the Code of Civil Procedure. In addition, a procedural law enshrined in the Code of Civil Procedure cannot vitiate the specific rights enunciated by the legislature in the specific statutes for the benefit of the right holders. After all, it is the wrong doer who has to suffer the forum inconvenience.

Consumer Protection

State Bank of India v/s B. S. Agricultural Industries (India)⁶

The Supreme Court on March 20, 2009 passed an order in favor of State Bank of India ("Appellant") against B. S. Agricultural Industries (India) ("Respondent") regarding limitation period under the Consumer Protection Act, 1986.

Facts-

As per the facts provided, the Respondent had filed a complaint against the Appellant on May 5, 1997 claiming an amount of Rs. 247,154 for deficiency in services, along with an interest at 12% p.a., litigation expenses and compensation. Further, the Appellant was also instructed by the Respondent to return the bills if the drawee had not returned the bills within 45 days of the presentation of the bills i.e. by June 7, 1994. Despite repeated letters and legal notice, the Appellant had neither sent the required amount nor returned the said bills. Hence, the Respondent had filed a complaint before the District Forum of Agra.

⁶ Civil Appeal No. 2067 of 2002 before the Supreme Court of India .

Relevant Provisions-

Section 24A of the Act states that the District Forum, the State Commission or the National Commission shall not admit a complaint unless it is filed within two years from the date on which the cause of action had arisen. However, a complaint may be entertained after the period of two years if the complainant satisfies the District Forum, the State Commission or the National Commission, as the case may be, that he had sufficient cause for not filing the complaint within such period. Also stated therein is that no such complaint shall be entertained unless the National Commission, the State Commission or the District Forum, as the case may be, records its reasons for condoning such delay.

Issues-

The Appellant resisted the complaint on diverse grounds one of which being that the complaint was clearly time barred and beyond the period of limitation. Despite the specific plea having been raised by the Appellant that the complaint was time barred, point for determination in this regard was neither framed nor considered by the District Forum. The District Forum

held that there was deficiency in service by the Appellant and that the Appellant was liable to compensate the Respondent. The State Commission affirmed the order of the District Forum and the National Commission also did not interfere with the concurrent orders of the consumer forums.

Held-

The cause of action accrued to the Respondent on June 7, 1994 when it did not receive the demand draft for Rs. 247,154 nor received the documents. The limitation, thus, began to run from June 7, 1994. The complaint ought to have been filed within two years therefrom which in fact was not done as the complaint was filed much thereafter i.e., on May 5, 1997. The complaint was apparently time barred as the complaint filed on May 5, 1997 was beyond two years therefrom. There was neither any application for condonation of delay nor any sufficient cause shown and, therefore, the question of condonation of delay in filing the complaint did not arise.

On its plain averments, the complaint was barred by time and ought to have been dismissed as such.

Contact Details: dsklegal.knowledgecenter@dsklegal.com

Mumbai Office
4th Floor, Express Towers,
Nariman Point,
Mumbai 400 021
India
Tel: (91 - 22) 6658 8000
Fax: (91 - 22) 6658 8001

Delhi Office
46, Aradhana, Chanakyapuri,
New Delhi 110 066
India
Phone: (91 - 11) 2687 1122; 2687 1133;
2687 1144
Fax: (91 - 11) 2687 1155

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