

A M/S. PARAGON RUBBER INDUSTRIES
v.
M/S. PRAGATHI RUBBER MILLS & ORS.
(Civil Appeal No. 10745 of 2013)

B NOVEMBER 29, 2013

[SURINDER SINGH NIJJAR AND A.K.SIKRI, JJ.]

Suit – Composite suit – Maintainability – Suit filed under Copyrights Act, 1957 and Trade and Merchandise Marks Act, 1958 – In the district court at Kottayam in the State of Kerala – Territorial jurisdiction of the court challenged – Held: A composite suit would not be maintainable, unless the court has jurisdiction to entertain the suit in relation to the entire cause of action and the entire relief – In the instant case, the suit was composite and the court at Kottayam had no jurisdiction under 1958 Act – However, the High Court in exercise of its discretionary powers, was right in directing amendment of the suit, to avoid multiplicity of litigation.

The plaintiff filed a suit before to District Court at Kottayam in the State of Kerela, against the defendants claiming relief under the Copyrights Act, 1957 and also under the Trade and Merchandise Marks Act, 1958. The defendant filed application u/Or. VII r. XI CPC, seeking rejection of the plaint for want of territorial jurisdiction. Trial court rejected the application observing that issue of jurisdiction would be decided at the final stage of the suit. Rejection of application was challenged before High Court, who directed the trial court to determine issue of territorial jurisdiction. The trial court decided the issue and held that the court had the jurisdiction to entertain the suit in view of s.62(2) of 1957 Act. The order was carried to High Court, who set aside the order passed by the trial court holding that a composite suit would not be

maintainable, and gave liberty to amend the plaint so as to make the suit maintainable before the District Court, Kottayam. Hence the plaintiff filed appeal before this Court challenging the order of High Court. The defendant also filed appeal to this Court challenging the order of High Court permitting the plaintiff to amend the plaint.

Dismissing the appeals, the Court

HELD: 1. The averments in the plaint itself make it abundantly clear that even the plaintiff was aware that the court at Kottayam will have no jurisdiction under the 1958 Act, but tried to camouflage the same by confusing it and mixing it up or intermingling it with the relief contained under the 1957 Act. From the averments made in the plaint, it is apparent that the plaintiff had filed a composite suit. Such a suit would not be maintainable unless the court has jurisdiction to entertain the suit in relation to the entire cause of action and the entire relief. [Para 15] [794-F-G]

Dhodha House vs. S.K.Maingi (2006) 9 SCC 41: 2005 (5) Suppl. SCR751; *Dabur India Ltd. vs. K.R.Industries* (2008) 10 SCC 595: 2008 (9) SCR 652 – relied on.

2. There is no conflict in the ratio of law laid down in *Dabur India case* and *Dhodha House case*. In both the cases it has been held that for the purpose of invoking the jurisdiction of the court in a composite suit, both the causes of action must arise within the jurisdiction of the court which otherwise had the necessary jurisdiction to decide all the issues. However, the jurisdiction cannot be conferred by joining two causes of action in the same suit when the court has jurisdiction to try the suit only in respect of one cause of action and not the other. There is also no conflict between the law laid down in *Dabur India case* and *Exphar SA case*. [Paras 19 and 20] [796-G-H; 797-E]

A *Dhodha House vs. S.K.Maingi* (2006) 9 SCC 41: 2005 (5) Suppl. SCR 751; *Dabur India Ltd. vs. K.R.Industries* (2008) 10 SCC 595: 2008 (9) SCR 652; *Exphar SA vs. Eupharma Laboratories Ltd.* (2004) 3 SCC 688 – referred to.

B 3. The High Court has correctly held that the provision contained in Section 134 of the Trade Marks Act, 1999 would not come to the aid of the plaintiff. Although, the 1999 Act was enacted on 30th December, 1999, it came into force on 15th September, 2003 vide S.O. 1048(E), dated 15th September, 2003, published in the
 C Gazette of India, Extra., Pt. II, Sec. 3(ii), dated 15th September, 2003. Since the suit in this case was filed on 19th March, 2001, it would be adjudicated under the 1958 Act. The 1958 Act does not contain a provision similar to the provision contained in Section 62(2) of the 1957 Act.
 D Parliament being aware of the provisions of the 1957 Act still did not incorporate the same in the 1958 Act. Therefore, it can not be read into the 1958 Act by implication. The High Court had correctly concluded that the suit of the plaintiff (appellant) was a composite one.
 E [Para 21] [799-E-G]

4. However, the Court is not inclined to interfere with the order passed by the High Court permitting the plaintiff to amend the plaint. The High Court was mindful of the
 F fact that under the 1999 Act, a composite suit could be filed and would be maintainable by the Court at Kottayam. The Court was aware that the plaintiff had filed the suit on 19th March, 2001, but the 1999 Act was not enforced till 15th September, 2003. The High Court passed the
 G order in exercise of its discretionary powers taking into consideration the entire facts and circumstances of the case. The discretion exercised by the High Court can not be said to be either erroneous or perverse. It has been exercised only to avoid multiplicity of litigation. The defendant (respondent) could not dispute that in so far
 H

PARAGON RUBBER INDUSTRIES v. PRAGATHI 789
RUBBER MILLS

as suit predicated on the Copy Right is concerned, the Court at Kottayam is having requisite jurisdiction in view of the provisions of Section 62(2) of the Copy Right Act. Therefore, had the suit been filed for violation of copy right alone, the Court at Kottayam could validly entertain the same. By permitting the plaintiff to amend the plaint so as that the suit will be maintainable before the District Court, Kottayam, no error was committed by the High Court. [Para 22] [799-H; 800-A-D]

Case Law Reference:

2005 (5) Suppl. SCR 751	relied on	Para 13
	referred to	Para 20
2008 (9) SCR 652	relied on	Para 13
	referred to	Para 20
(2004) 3 SCC 688	referred to	Para 20

CIVIL APPELLATE JURISDICTION : Civil Appeal No. 10745 of 2013 etc.

From the Judgment and Order dated 15.03.2011 of the High Court of Kerala at Ernakulam in CRP No. 1417 of 2004.

WITH

C. A. No. 10746 of 2013

Siddhartha Dave, A. Raghunath, Atul Jha, Divya Balasundaram, Sandeep Jha, Dharmendra Kumar Sinha for the Appearing Parties.

The Judgment of the Court was delivered by

SURINDER SINGH NIJJAR, J. 1. Leave granted.

2. This judgment shall dispose of C.A.No. 10745 of 2013 @ SLP (C) No.22280 of 2011 and C.A.No. 10746 of 2013 @

A SLP (C) No.33453 of 2011. Both the appeals impugn the judgment of the High Court of Kerala at Ernakulam dated 15th March, 2011, rendered in Civil Revision Petition No.1417 of 2004.

B 3. Since these are cross appeals, the parties shall be referred to as plaintiff and defendant. The facts at the centre of this controversy are as follows:

C The Plaintiff is engaged in the business of manufacturing and marketing of footwear since 1975, under the registered trademark for which it also possesses the registered copyright. The Plaintiff is located in Kerala. The Defendant, which is located in Jalandhar, Punjab, also manufactures and markets its footwear under the registered trademark and copyright PRAGATI/PARAGATI with a device of lion.

D 4. On 19th March, 2001, the Plaintiff filed a suit being O.S. No. 2 of 2001 at District Courts in Kottayam, Kerala against the defendants, claiming relief under the Copyright Act, 1957 (hereinafter referred to as "1957 Act") and the Trade and Merchandise Marks Act, 1958 (hereinafter referred to as the
E "1958 Act"). The suit is pending in the trial court. The defendant filed I.A. No. 322 of 2004, under order VII Rule XI CPC, with a prayer for rejection of plaint for want of territorial jurisdiction. The trial court dismissed the application on 22nd March, 2004, with the observations that the issue of jurisdiction will be
F decided at the final stage of the suit. The defendant filed CRP No.363 of 2004 in the High Court against the aforesaid order. The High Court by order dated 16th June, 2004, allowed the civil revision and directed the trial court to determine the issue of territorial jurisdiction afresh.

G 5. In view of the aforesaid directions issued by the High Court, the trial court treated the issue with regard to the jurisdiction as the preliminary issue. Upon consideration of the entire matter again the trial court in its order dated 6th October,
H 2004 held that it has the jurisdiction to entertain the suit in view

of Section 62(2) of the 1957 Act. The petitioner challenged the
aforesaid order in the High Court by filing C.R.P. No. 1417 of
2004. The High Court, upon consideration of the matter has,
by the impugned order dated 15th March, 2011, held as
under:-

"The court below held in the order impugned that the suit
as such is maintainable before the District Court,
Kottayam. That finding is not correct in view of the
decisions of the Supreme Court referred to above.
Accordingly, the order passed by the court below is set
aside. The plaintiff is given liberty to amend the plaint, so
that the suit will be maintainable before the District Court,
Kottayam, in the light of the principles laid down by the
Supreme Court in the aforesaid decisions. When an
application is filed for amendment of the plaint, the court
below shall consider the same on the merits, after affording
an opportunity of being heard to both sides.

The Civil Revision Petition is allowed as above."

6. A perusal of the above shows that the High Court,
having come to the correct conclusion that a composite suit
would not be maintainable, has set aside the order passed by
the trial court. Thereafter, the Plaintiff has been given liberty to
amend the plaint so that the suit will be maintainable before the
District Court, Kottayam. The plaintiff aggrieved by the
aforesaid order has filed SLP (C) No.22280 of 2011 giving rise
to C.A.No. 10745 of 2013.

7. The defendant/petitioner in SLP (C) No. 33453 of 2011
has challenged the impugned order on the ground that having
come to the conclusion that a composite suit under the 1957
Act and 1958 Act was not maintainable, the High Court erred
in permitting the plaintiff to amend the plaint rather than
rejecting the same on the ground of lack of jurisdiction.

8. We have heard the learned counsel for the parties.

A 9. It is submitted by the learned counsel for the Plaintiff that
 the suit was maintainable before the District Judge, Kottayam
 for violation of the copyright in view of Section 62(2) of the 1957
 Act, which permits the filing of the suit at the place where the
 plaintiff resides. It is further submitted by the learned counsel
 B that the High Court has wrongly held that a composite suit
 claiming relief under the 1957 Act and the 1958 Act would not
 be maintainable. Mr. Siddhartha Dave, learned counsel
 appearing for the plaintiff further submitted that the relief
 claimed under the 1958 Act in the suit filed by the plaintiff under
 C the 1957 Act was incidental to the relief claimed under the 1957
 Act. Such a composite suit would be maintainable. According
 to the learned counsel, this Court in the case of *Dhodha House*
*vs. S.K.Maingi*¹ examined and only partly answered the
 question as to whether a composite suit seeking relief of
 D injunction under both the 1957 Act and the 1958 Act is
 maintainable when filed in the court where the plaintiff resides.
 In support of the submissions made, learned counsel relied on
 para 54 and 55 of the judgment.

E 10. Learned counsel further submitted that this Court in the
 case of *Dabur India Ltd. Vs. K.R.Industries*² answered the
 question as to what would be meant by a composite suit?
 Answering the aforesaid question, this Court has held that the
 ratio in the case of *Dhodha House* (supra) is that the
 provisions contained in Section 62(2) of the 1957 Act have
 F been specially designed to confer an extra benefit upon the
 parties who were not in a position to institute copyright
 proceedings in two different courts. In other words, it prescribes
 an additional ground for attracting the jurisdiction of the court
 over and above the *normal grounds* as laid down in Section
 G 20 of the Code of Civil Procedure, 1908. Mr. Dave also pointed
 out that there is an earlier judgment of this Court in *Expfar SA*

1. (2006) 9 SCC 41.

H 2. (2008) 10 SCC 595.

vs. *Eupharma Laboratories Ltd.*³ in which it has been held that a composite suit would be maintainable where the plaintiff resides in view of the provisions of the 1957 Act. In *Dabur India's Case*, it has been incorrectly observed that the case of *Exphar SA* (supra) was not considered in *Dhodha House* (supra). Therefore, according to the learned counsel, there is a slight confusion and conflict between the decision in *Exphar* and *Dhodha House* on the one hand and *Dabur case* on the other. It is, therefore, submitted that the aforesaid three decisions need to be clarified and referred to a larger bench.

11. In the alternative, it is submitted that the relief claimed under the 1958 Act was only incidental to the relief claimed under the 1957 Act and such a composite suit would be maintainable in view of the ratio of law laid down in the case of *Dhodha House Case* as well as in the *Dabur Case*. Additionally, it is submitted that under the Trade Marks Act, 1999, (hereinafter referred to as the '1999 Act') the provisions similar to Section 62(2) of the 1957 Act has been incorporated thereby conferring the jurisdiction on the court where the plaintiff resides. In view of this provision, even though the Act was enforced with effect from 15th September, 2003, the High Court ought to have allowed the proceedings to continue in Kottayam rather than truncating the suit, which would otherwise have to be partly tried in Kottayam and partly in Jalandhar.

12. On the other hand, the defendant submitted that the suit filed by the plaintiff is in the nature of composite suit. It has been admitted by the plaintiff that the defendant's goods are not available in Kottayam, nor do the defendant reside or carry on business within the jurisdiction of that Court. The plaintiffs have chosen to file the suit at Kottayam only on the ground that the jurisdiction would be vested in the District Court of Kottayam by virtue of Section 62(2) of the 1957 Act. It is further submitted that the reliance placed by the plaintiff on the provisions contained in Section 134 of the 1999 Act is misplaced. The

3. (2004) 3 SCC 688.

A defendant also placed reliance on Section 159(4) of the 1999 Act and submitted that the proceedings initiated under the 1958 Act would be governed by the same Act notwithstanding the provisions contained in the 1999 Act.

B 13. We have considered the submissions made by the learned counsel for the parties. In our opinion, the issues raised in the present proceedings are no longer *res integra* being covered by the ratio of judgments of this Court in the case of *Dhodha House* (supra) and *Dabur India* (supra).

C 14. It is not disputed before us that in the plaint itself it is pleaded as under :

D "Though the defendants goods are not available in Kottayam, nor do the defendants carry on business and reside within the jurisdiction of this Hon'ble Court, yet this Hon'ble Court has the jurisdiction to try and entertain this suit at Kottayam having regard to the provisions of Section 62(2) of the Copyright Act for the plaintiff carries on business and resides within the territorial jurisdiction of this Hon'ble Court."

E 15. The aforesaid averments make it abundantly clear that even the plaintiff was aware that the court at Kottayam will have no jurisdiction under the 1958 Act, but tried to camouflage the same by confusing it and mixing it up or intermingling it with the relief contained under the 1957 Act. From the averments made in the plaint, it is apparent that the plaintiff had filed a composite suit. Such a suit would not be maintainable unless the court has jurisdiction to entertain the suit in relation to the entire cause of action and the entire relief.

G 16. We have noticed earlier that the issue is no longer *res integra*. The same issue has been examined in *Dhodha House* (supra). In paragraph 43, this Court formulated the question for consideration which is as under:

H "43. The short question which arises for consideration is

PARAGON RUBBER INDUSTRIES v. PRAGATHI 795
RUBBER MILLS [SURINDER SINGH NIJJAR, J.]

as to whether causes of action in terms of both the 1957 Act and the 1958 Act 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 1957 Act?" A

17. It was answered as follows :- B

"44. A cause of action in a given case both under the 1957 Act as also under the 1958 Act may be overlapping to some extent. The territorial jurisdiction conferred upon the court in terms of the provisions of the Code of Civil Procedure indisputably shall apply to a suit or proceeding under the 1957 Act as also the 1958 Act. Sub-section (2) of Section 62 of the 1957 Act provides for an additional forum. Such additional forum was provided so as to enable the author to file a suit who may not otherwise be in a position to file a suit at different places where his copyright was violated. Parliament while enacting the Trade and Merchandise Marks Act in the year 1958 was aware of the provisions of the 1957 Act. 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 Parliament. The intention of Parliament in not providing for an additional forum in relation to the violation of the 1958 Act is, therefore, clear and explicit. 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 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 1957 Act, 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. C D E F G

For the purpose of invoking the jurisdiction of a court only H

A because two causes of action joined in terms of the provisions of the Code of Civil Procedure, the same would not mean that thereby the jurisdiction can be conferred upon a court which had jurisdiction to try only the suit in respect of one cause of action and not the other. Recourse to the additional forum, however, in a given case, may be taken if both the causes of action arise within the jurisdiction of the court which otherwise had the necessary jurisdiction to decide all the issues."

C 18. This legal position has been reiterated in the case of *Dabur India* (supra) as under:-

D "34. What then would be meant by a composite suit? A composite suit would not entitle a court to entertain a suit in respect whereof it has no jurisdiction, territorial or otherwise. Order 2 Rule 3 of the Code specifically states so and, thus, there is no reason as to why the same should be ignored. A composite suit within the provisions of the 1957 Act as considered in *Dhodha House*¹, therefore, would mean the suit which is founded on infringement of a copyright and wherein the incidental power of the court is required to be invoked. A plaintiff may seek a remedy which can otherwise be granted by the court. It was that aspect of the matter which had not been considered in *Dhodha House* but it never meant that two suits having different causes of action can be clubbed together as a composite suit."

G 19. We see no conflict in the ratio of law laid down in the aforesaid two cases. In both the cases, it has been held that for the purpose of invoking the jurisdiction of the court in a composite suit, both the causes of action must arise within the jurisdiction of the court which otherwise had the necessary jurisdiction to decide all the issues. However, the jurisdiction cannot be conferred by joining two causes of action in the same suit when the court has jurisdiction to try the suit only in respect of one cause of action and not the other. In *Dabur India* (supra)

the ratio in *Dhodha House* has been explained. In *Dhodha House*, the law was stated in the following terms : A

“54. For the purpose of invoking the jurisdiction of a court only because two causes of action joined in terms of the provisions of the Code of Civil Procedure, the same would not mean that thereby the jurisdiction can be conferred upon a court which had jurisdiction to try only the suit in respect of one cause of action and not the other. Recourse to the additional forum, however, in a given case, may be taken if both the causes of action arise within the jurisdiction of the court which otherwise had the necessary jurisdiction to decide all the issues. B C

55. In this case we have not examined the question as to whether if a cause of action arises under the 1957 Act and the violation of the provisions of the Trade Marks Act is only incidental, a composite suit will lie or not, as such a question does not arise in this case.” D

20. In our opinion, the aforesaid observation is self explanatory and need no further clarification. We also do not find any substance in the submission of Mr. Dave that there is any conflict between the law laid down in *Dabur* (supra) and *Exphar SA* (supra). In the case of *Dabur* (supra), this Court distinguished the judgment *Exphar SA* in the following terms : E

“31. *Exphar SA* cannot be said to have any application in the instant case. The question which arose for consideration therein was as to whether the jurisdiction of a court under sub-section (2) of Section 62 of the 1957 Act is wider than that of the court specified under the Code of Civil Procedure and thus a person instituting a suit having any claim on the ownership of the copyright which has been infringed, would not be a ground for holding that he would not come within the purview of sub-section (2) Section 62 of the 1957 Act, as he had been served with a “cease and desist” notice, opining: (SCC p. 693, para 13) F G H

A “13. It is, therefore, clear that the object and reason
for the introduction of sub-section (2) of Section 62
was not to restrict the owners of the copyright to
exercise their rights but to remove any impediment
from their doing so. Section 62(2) cannot be read
B as limiting the jurisdiction of the District Court only
to cases where the person instituting the suit or
other proceeding, or where there are more than
one such persons, any of them actually and
voluntarily resides or carries on business or
C presently works for gain. It prescribes an additional
ground for attracting the jurisdiction of a court over
and above the ‘normal’ grounds as laid down in
Section 20 of the Code.”

D 32. There cannot be any doubt whatsoever that Parliament
having inserted sub-section (2) in Section 62 of the 1957
Act, the jurisdiction of the court thereunder would be wider
than the one under Section 20 of the Code. The object and
reasons for enactment of sub-section (2) of Section 62
would also appear from the report of the Committee, as
E has been noticed by this Court being a provision which has
been specially designed to confer an extra benefit upon
the authors who were not in a position to institute copyright
infringement proceeding before the courts. It is in the
aforementioned context the law laid down by this Court in
F para 13 of *Dhodha House* must be understood.

G 33. If the impediment is sought to be removed by inserting
an incidental provision, there cannot be any doubt the court
could be entitled to pass an interim order, but the same
by no stretch of imagination can be extended to a cause
of action which is founded on separate set of facts as also
rights and liabilities of a party under a different Act. In
Dhodha House, although *Exphar Sa* was not noticed, the
distinction would be apparent from the following: (*Dhodha*
H *House case*, SCC p. 56, paras 50-51)

"50. In this case, the Delhi High Court could not have invoked its jurisdiction in terms of the 1957 Act. The primary ground upon which the jurisdiction of the Original Side of the High Court was invoked was the violation of the 1958 Act, but in relation thereto, the provisions of sub-section (2) of Section 62 of the 1957 Act could not be invoked.

51. The plaintiff was not a resident of Delhi. It has not been able to establish that it carries on any business at Delhi. For our purpose, the question as to whether the defendant had been selling its produce in Delhi or not is wholly irrelevant (sic). It is possible that the goods manufactured by the plaintiff are available in the market of Delhi or they are sold in Delhi but that by itself would not mean that the plaintiff carries on any business in Delhi."

21. We are, however, of the opinion that the High Court has correctly held that the provision contained in Section 134 of the 1999 Act, would not come to the aid of the plaintiff. Although, the 1999 Act was enacted on 30th December, 1999, it came into force on 15th September, 2003 vide S.O. 1048(E), dated 15th September, 2003, published in the Gazette of India, Extra., Pt. II, Sec. 3(ii), dated 15th September, 2003. Since the suit in this case was filed on 19th March, 2001, it would be adjudicated under the 1958 Act. The 1958 Act does not contain a provision similar to the provision contained in Section 62(2) of the 1957 Act. Parliament being aware of the provisions of the 1957 Act still did not incorporate the same in the 1958 Act. Therefore, it can not be read into the 1958 Act by implication. The High Court had correctly concluded that the suit of the plaintiff (appellant) was a composite one.

22. Having said this, we are still not inclined to interfere with the order passed by the High Court permitting the plaintiff to amend the plaint. The High Court was mindful of the fact that under the 1999 Act, a composite suit could be filed and

- A would be maintainable by the Court at Kottayam. The Court was aware that the plaintiff has filed the suit on 19th March, 2001, but the 1999 Act was not enforced till 15th September, 2003. In our opinion, the High Court has passed the order in exercise of its discretionary powers taking into consideration the entire facts and circumstances of the case. The discretion exercised by the High Court can not be said to be either erroneous or perverse. It has been exercised only to avoid multiplicity of litigation. The defendant (respondent) could not dispute that in so far as suit predicated on the Copy Right is concerned, the Court at Kottayam is having requisite jurisdiction in view of the provisions of Section 62(2) of the Copy Right Act. Therefore, had the suit been filed for violation of copy right alone, the Court at Kottayam could validly entertain the same. By permitting the plaintiff to amend the plaint so as that the suit will be maintainable before the District Court, Kottayam, no error was committed by the High Court.
- B
- C
- D

23. In view of the observations made above, both the appeals are dismissed with no order as to costs.

Kalpana K. Tripathy

Appeals dismissed.