

Parle Products Private Limited vs Surya Food & Agro Limited on 9 September, 2008

Author: M.Venugopal

Bench: M.Chockalingam, M.Venugopal

In the High Court of Judicature at Madras Dated: 9-9-2008 Coram:

The Honourable Mr.Justice M.Chockalingam and The Honourable Mr.Justice M.Venugopal O.S.A.No.375 of 2007 Parle Products Private Limited, having its registered office at Nirlon House, 254-B, Dr.A.Besant Road, Mumbai-400 030. .. Appellant vs. Surya Food & Agro Limited, having its registered office at D-1, Sector 2, Noida, District Gautam Budh Nagar, Uttar Pradesh. .. Respondent Original Side Appeal against the order of the single Judge of this Court dated 5.9.2007 in Application No.6025 of 2007 in Civil Suit No.798 of 2006.

For appellant : Mr.S.P.Chockalingam
For respondent: Mr.A.K.Rajaraman for Mr.A.A.Mohan

Judgment
M.Venugopal, J

This Original Side Appeal is filed by the appellant/plaintiff challenging the order dated 5.9.2007 passed by the learned single Judge in Application No.6025 of 2007 in Civil Suit No.798 of 2006, wherein, the learned single Judge revoked the leave already granted by the Court by order dated 11.10.2006 in Application No.4056 of 2006 in Civil Suit No.798 of 2006 (C.S. Diary No.27805 of 2006).

2. The appellant/plaintiff filed Application No.4056 of 2006 in C.S.No.798 of 2006, praying to grant leave to sue the respondent/defendant and the same has been ordered on 11.10.2006 by the learned single Judge of this Court.

3. Subsequently, the respondent/defendant filed Application No.6025 of 2007 in C.S.No.798 of 2006, praying for revocation of leave already granted on 11.10.2006 in Application No.4056 of 2006 in C.S.No.798 of 2006.

4. The learned single Judge, by the impugned order dated 5.9.2007, ordered Application No.6025 of 2007 to revoke the leave, as prayed for, inter-alia observing that, "if there is nothing to show that sales have taken place within the jurisdiction of this Court, then leave cannot be granted. There is no other circumstance, which justifies the filing of the suit, within the jurisdiction of this Court because both the respondent and the applicant carry on business elsewhere. Therefore, not only on the ground of forum conveniens, but also because the applicant prima facie failed to establish to the satisfaction of this Court that sales had in fact taken place within the jurisdiction of this Court, leave must be revoked. For deciding whether the leave granted should be revoked, one looks only to the

averments in the plaint and the documents filed by the applicant and it is on the basis of his own pleadings that the applicant must establish his case for grant of leave. In this case, the applicant has not succeeded in doing so. Leave granted in Application No.4056 of 2006 is revoked. Application No.6025 of 2007 to revoke the leave is ordered as prayed for."

5. The case of the appellant/plaintiff--Parle Products Private Limited (Mumbai), is that it is carrying on business of manufacturing and marketing inter-alia the biscuits and confectionaries; they have developed new and original packet designs having several novel features in its shape, configuration and surface pattern; with a view to protect the unique design and novelty of the packets, on 31.5.2001, the plaintiff filed three applications for registration of the said designs for biscuit-packets with the Office of the Controller of Patents and Designs, and the said designs were accepted and registered under the Design Registration Nos.185711, 185712 and 185713, dated 31.5.2001 under Class 09-01 as per the provisions of the Designs Act, 2000 and the Designs Rules, 2001; another two new and original biscuit packet designs having novel features in its shape, configuration and surface pattern, were accepted and duly registered under the Design Registration Nos.188156 and 188157, dated 18.2.2002 under Class 09-7 of the provisions of the Designs Act, 2000 and Designs Rules, 2001 and that the registration of the said designs are valid and subsisting.

6. The plaintiff further pleads that as a registered proprietor, it has acquired copyright of the said design and thus is exclusively entitled to apply the said designs to biscuit packets and to use and manufacture for the purpose of sale, such packets having the novel shape and configuration, etc; the plaintiff has also acquired an enviable reputation and goodwill in the market among the purchasing public and recently, it has come to know that the defendant-Surya Food and Agro Limited (Noida, Uttar Pradesh) has started marketing several varieties of biscuits in the name of "PRIYAGOLD" in packets bearing shape, configuration and surface pattern, which is a fraudulent and obvious imitation of the plaintiff's registered Design Nos.185711, 185712, 185713, 188156 and 188157 and that the defendant has applied the said designs to biscuit packets fraudulently and without obtaining any licence or consent from the plaintiff and thus committed and continues to commit infringement and piracy of the plaintiff's registered designs.

7. The plaintiff in the suit in C.S.No.798 of 2006, prayed for the judgment and decree against the defendant, for the following reliefs:

(a) Permanent injunction restraining the defendant by themselves, their servants, agents, distributors, stockiest or any one acting under or through it from in any manner applying or causing to be applied in relation to the biscuit packets or any other goods contained in Class 09-01 & 09-07 of the Third Schedule of the Designs Rules, 2001, the designs or any other design which is identical to or deceptively similar to or a fraudulent imitation of the plaintiff's registered Design Nos.185711, 185712, 185713, 188156 and 188157 in Class 09-01 and 09-07 or from doing anything with a view to enable the plaintiff's Design Nos.185711, 185712, 185713, 188156 and 188157 from being pirated and

(b) directing the defendant to deliver up to the plaintiff for destruction all the packets bearing and/or containing the pirated design, shape and configuration, including dyes, moulds and other articles used by the defendant for reproducing and pirating the registered designs of the plaintiff, bearing Nos.185711, 185712, 185713, 188156 and 188157.

8. According to the appellant-plaintiff, the cause of action for the suit has arisen when the defendant sold the biscuit packets with the plaintiff's design, thereby, pirating the registered designs of the plaintiff in Nos.185711, 185712, 185713, 188156 and 188157 and on 23.11.2005, when the plaintiff has issued a legal notice to the defendant-Company, calling upon it to stop the manufacturing and marketing biscuit packets, imitating registered designs of the plaintiff, but the defendant received the notice and has failed to comply with the demand of the plaintiff and when the defendant initiated cancellation proceedings before the Controller of Patents and Designs, Calcutta, the defendant has failed to file statement of the case as required under Rule 29 of the Designs Rules, 2001.

9. According to the appellant/plaintiff, the respondent/defendant is extensively selling and continues to sell the pirated biscuit packets with the plaintiff's design in Chennai within the jurisdiction of this Court.

10. The stand taken by the respondent/defendant in the suit is that the appellant/plaintiff has failed to substantiate with any material proof that the defendant's products are sold in Chennai with infringing designs and therefore, the leave ought to be revoked, as 'no cause of action' has arisen within the jurisdiction of this Court and all the biscuit packets of the defendant bear common brand name "PRIYAGOLD" and the biscuits of the defendant are sold under different brand names, such as Butter bite, Cashew, Glucose V, Marie Lite, Magic Gold, Coconut Crunch, Nice Day, Don, Classic Cream, Kids Cream, Crak 'N' Cheers etc., in distinctive wrappers containing artistic features and further that the defendant has been using various designs as far back as in the year 1998 and that substantial amounts are spent towards development/sales promotion of their products and the present suit is only a counter-blast to the Design Cancellation Petition and the same has been filed on false and frivolous grounds, and that the five designs registered by the plaintiff are not new or original and the same are of pre-existing common type and that the appellant/plaintiff has fraudulently secured registrations by misrepresenting the Controller of Designs without disclosing the true facts and therefore, the registrations issued by the Controller of Designs are liable to be cancelled by this Court by applying Section 22(4) of the Designs Act, 2000, etc.

11. The further plea of the respondent/defendant is that there is a clear delay of more than eight years for filing the present suit and that the appellant/plaintiff has not approached the Court with clean hands and hence, the respondent/defendant prays to cancel the design registered under Nos.185711, 185712, 185713, 188156 and 188157 as a counter-claim against the plaintiff for cancellation of the said designs under the provisions of Sections 4 and 19 of the Designs Act, 2000, considering the defences raised.

12. The appellant/plaintiff has filed a reply, inter-alia stating that the Court has both territorial and pecuniary jurisdiction to try the case and that the respondent/defendant is not entitled to counter-claim for cancellation of designs in the present suit, when a similar relief has already been sought for by it before the competent authority and that the respondent/defendant has committed piracy of the appellant/plaintiff-Company's registered designs.

13. Learned counsel appearing for the appellant/plaintiff urges that the learned single Judge ought not to have revoked the leave granted earlier by this Court in Application No.4056 of 2006, dated 11.10.2006, and that the learned single Judge should have appreciated the fact that the appellant/plaintiff has filed three purchase bills in the suit to show that the respondent/defendant-Company's biscuit packets with pirated designs, have been sold within the jurisdiction of this Court and that the learned single Judge has erred in coming to the conclusion that the appellant/plaintiff has not established that the sales took place within the jurisdiction of this Court and that the factum of sale can very well be established during the trial and that the appellant/plaintiff-Company has been denied an opportunity to establish its case at the time of trial by revoking the leave already granted in favour of the appellant/plaintiff in Application No.4056 of 2006 and that the learned single Judge has erred in observing that the vouchers are post-suit and that the details about the distributor in Chennai, were not found in the pleadings and further that the "Doctrine of Forum Conveniens" has no application to a suit filed in the Original Side of this Court and that the cause of action is a bundle of facts, and there is no justification for the learned single Judge to revoke the leave summarily without giving opportunities to both parties in the suit to face the trial and to prove or rebut through evidence and that the "leave to sue" as per Clause 12 of the Letters Patent is not required to the present facts and circumstances of the case, but the appellant/plaintiff due to the instructions of the Court Office, has applied for leave and the same has been granted and subsequently, the same has also been revoked, which is now impugned in the present O.S.A. and therefore, prays for allowing the O.S.A. in the interest of justice.

14. Contending contra, learned counsel for the respondent/defendant submits that the appellant/plaintiff-Company has not proved its case for grant of leave and further that the learned single Judge has assigned cogent reasons while revoking the leave when the impugned order was passed and the same does not require any interference.

15. Learned counsel appearing for the appellant/plaintiff cites a decision of this Court reported in 2008 (3) M.L.J. 1 (DB) (Wipro Ltd. vs. Oushadha Ayurvedic India (P) Ltd.), wherein, it is inter-alia held that, "in a case of infringement of trademark or copyright, covered by Section 134(2) of the Trade Marks Act, 1999 or Section 62(2) of the Copyright Act, 1957, the question of plaintiff taking prior leave under Clause 12 of the Letters Patent, does not arise and the plaintiff need not take leave of the Court under Clause 12 of the Letters Patent, even if only a part of the cause of action or no part of the cause of action arose within the jurisdiction of the High Court, if the plaintiff ordinarily resides or carries on business within the jurisdiction of the Court and that while considering whether the plaint is maintainable, the plaint averments alone could be germane and the pleas taken by the defendants in the written statement or counter-affidavit, are irrelevant at that stage."

16. He also relies on the decision of this Court reported in 2005 (3) C.T.C. 86 (DB) at page 92 (Ummer Koya P.T. vs. Tamil Nadu Chess Association), wherein, it is held that, 'the person aggrieved of the grant of leave has to approach the Court at the earliest point of time and seek for revocation without due participation in the other proceedings'.

17. Learned counsel for the appellant/plaintiff presses into service the decision of this Court reported in 2001 (2) M.L.J. 557 (DB) (Smithkline & French Laboratories Ltd. vs. Indoco Remedies Limited, Mumbai), wherein, it is observed that there is no statement by the defendant, inspite of the defendant having filed an affidavit that it has no distributor or that it has no organisation for commercial marketing of its products in the City of Chennai and in the background of these facts, the denial of leave to sue cannot be sustained and when the passing-off within the jurisdiction of this Court has been prima-facie shown, there is no reason to deny leave, etc.

18. Further reliance on the side of the appellant/plaintiff is placed on another decision of this Court reported in 1998 (3) L.W. 784 at 788 (DB) (Ramu Hosieries, rep. by its Sole Proprietor vs. Ramu Hosieries, rep. by its Partner), whereunder this Court, among other things, held that, "where the infringement had taken place partly in one jurisdiction by way of advertisement and rest in another jurisdiction by marketing the product, then, the registered owner of the Trade-Mark can maintain the suit either at the place where the cause of action arose partly or wholly which includes the place of registration, advertisement or marketing. This can be by showing that his Trade-Mark has been registered with the Registrar of Trade Marks. Therefore, it cannot be said that no part of the cause of action arose at Madras. Thus, the finding of the learned Judge, that unless the goods are actually marketed, it cannot be said that there has been an infringement of the Trade-Mark within the jurisdiction of this Court, is unsustainable. We answer both the questions in the affirmative."

19. In support of the contention that the learned single Judge ought not to have revoked the leave granted earlier by this Court, the learned counsel for the appellant/plaintiff invited the attention of this Court to the decision of this Court reported in 1998 (1) L.W. 640 (DB) (M/s.Scientific Compounds & Processes Private Limited vs. M/s.National Soapnut Works, Bangalore), whereunder this Court held that, "there is force in the submission of the learned counsel for the appellant that, whether the Court has jurisdiction or not, could not have been decided on the basis of the statement made in the affidavit filed by the respondent, in support of the Application No.1539/91; and the Court, at the time of deciding whether it has jurisdiction or not would have to take note of the averments made in the plaint, which is the settled law. Further, the appellant had no opportunity to rebut the statement made by the respondent in the affidavit that its products are not sold in Madras. The proper course would have been, after the respondent had filed the written statement, an issue could be taken as to the jurisdiction and that could have been dealt with either as a preliminary issue or along with other issues on the basis of the evidence that could be let in by the parties. The learned single Judge has revoked the leave granted, holding that this Court has no jurisdiction on the basis of the statement made in the affidavit of the respondent filed. It is relevant to state here itself that the appellant has made specific averment in the plaint that the respondent's goods are sold within the city of Madras at several places. The averment made in the plaint alone should have been taken into consideration in order to decide the jurisdiction, at that stage by the learned single Judge. "Under the circumstances, we find it difficult to sustain the order under appeal" ."

20. He also relies on the decision reported in 1992 (1) L.W. 308 (Tuticorin Alkali Chemicals & Fertilisers Ltd. vs. M/s.Cochin Silicate & Glass Industries) (DB), wherein this Court held that, "In deciding whether to refuse leave or not, it would be necessary to see on facts and not on assumptions, as to who shall suffer-- the plaintiff or the defendant- if the leave is granted or refused, as the case may be. The Court was of opinion that a proper adjudication is necessary on all relevant facts of the case before deciding whether to grant leave or not and since it has not been done in the impugned judgment the Court is inclined to interfere with the impugned order. The impugned order, for the said reason, is set aside. The case is remitted to the Original Side of this Court for a re-hearing and decision on the question."

21. Learned counsel appearing for the appellant/plaintiff further relies on the decision of a Division Bench of this Court reported in 1992 (1) L.W. 277 at page 286 (K.Murugesan vs. Seethalakshmi), wherein, this Court has held as follows:

"14. We find ourself thus of the view that it shall always be in relation to the subject matter of the dispute that the court will decide whether to non-suit the plaintiff for the reason that one or some of the defendants are residing or carrying on business within the jurisdiction of this court, but some are not and if cause of action is found common to all of them by dint or residence of one or some of the defendants or otherwise, it would be enough to hold that since cause of action if not wholly but in part has arisen within the jurisdiction of the court the suit is maintainable.

15. Independent of this aspect of the residence and or dwelling or doing business within the jurisdiction of the court of one or some of the defendants, this is a case, in our view, in which the learned single Judge has committed no error, for, even if we forget about the residence or business of the 1st defendant in the city of Madras, there are compelling substantial materials on record to conclude that if not whole, part of the cause of action has arisen within the jurisdiction of this court. We have already found that without traversing the facts leading to the transactions in the city of Madras between the plaintiff's husband and the 3rd defendant, it will not be possible to find the usual nature of the transaction at the time of the execution of the impugned agreement."

22. Learned counsel for the respondent/defendant relies on the decision of the Supreme Court reported in 2005 (4) SCC 315 at 317 (Vithalbhai (P) Ltd. vs. Union Bank of India), wherein the Supreme Court has held that the plea as to non-maintainability of the suit on the ground of its being premature, should be promptly raised by the defendant and pressed for decision and it will equally be the responsibility of the Court to examine and promptly dispose of such a plea, etc. In this decision, the Supreme Court further observed that the power to summarily reject, conferred by Order 7 Rule 11 of the Civil Procedure Code, can be exercised at the threshold of the proceedings and is also available in the absence of any restriction statutorily placed, to be exercised at any stage of the subsequent proceedings and however, a preliminary objection as to maintainability should be raised as early as possible, though the power of the Court to consider the same at a subsequent stage, is not taken away.

23. Learned counsel for the respondent/defendant also cites a decision of this Court reported in 2008 (1) C.T.C. 527 (Gurusamjy (died).M. vs. G.Vijaya), wherein this Court has held that the Court is competent to reject the plaint at any stage if it finds that the conditions under Order 7 Rule 11 C.P.C. exist and that the provisions of Order 7 Rule 11 C.P.C. are not exhaustive and Court has got inherent powers to see that vexatious litigations are not allowed to consume the time of the Court and that this Court, in appropriate cases, can also issue directions not to entertain the suit.

24. It is to be borne in mind that as per Section 22(1) of the Designs Act, 2000, copyright in a registered design, gives a Proprietor an exclusive right to apply the design to any article in any class in which the design is registered. Moreover, in any suit or proceeding, for relief under Section 22(2) of the Designs Act, 2000, every ground on which registration of a design may be cancelled under Section 19, will be available as a ground of defence. It cannot be gain-said that the Designs Act, 2000, is silent on the jurisdiction of a Court as to suits for injunction and recovery of damages. As a matter of fact, the term "Court" has not been defined in the Designs Act, 2000. As such, the jurisdiction of the Court can be determined on the analogy of similar suits for injunction of patents, trade mark and copyright and in all these cases, the District Court has jurisdiction based on the value of the suit and that the suit can also be filed in High Court having Original Jurisdiction. As per Section 2(e) of the Designs Act, 2000, the "High Court" shall have the same meaning as assigned to it Clause (i) of Section 2 of the Patents Act, 1970. Section 2(1)(i) of the Patents Act, 1970 defines "High Court" in relation to a State or Union Territory as the High Court having territorial jurisdiction in that State or Union Territory, as the case may be.

25. It is pertinent to point out that the appellant/plaintiff, as applicant, earlier took out Application No.4056 of 2006 in C.S.No.798 of 2006, praying this Court to grant leave to sue the respondent/defendant on the ground that the respondent/defendant is carrying on business at Noida, Uttar Pradesh and the said leave has been granted by this Court on 11.10.2006.

26. Admittedly, Application No.4056 of 2006 has been filed by the appellant/plaintiff on 29.9.2006. However, after a gap of approximately one year, the respondent/defendant has taken out Application No.6025 of 2007 on 21.8.2007 praying to revoke the leave already granted on 11.10.2006. The appellant/plaintiff presented the plaint before this Court on 29.9.2006. The respondent/defendant filed the written statement in June 2007. The appellant/plaintiff has also filed the reply statement in August 2007.

27. It is an axiomatic fact that whether a "cause of action" has arisen at a particular place, is a 'question of fact', which can only be decided after recording of the evidence of the parties. It is needless to make a mention that in the case of 'Read vs. Brown' reported in 1888 (22) Q.B.D. 128, Lord Esher, M.R., adopted the definition for the phrase "cause of action" that it meant "every fact which it would be necessary for plaintiff to prove, if traversed, in order to support his right to the judgment of the Court. It does not comprise every piece of evidence, which is necessary to prove each fact, but every fact which is necessary to be proved."

28. In this connection, it is significant to point out that the Supreme Court in the decision reported in 2000 (7) SCC 640 @ 654 (Navinchandra N.Majitha vs. State of Maharashtra), whereby and

whereunder, the Supreme Court has observed as follows:

"38. "Cause of action" is a phenomenon well understood in legal parlance. Mohapatra, J. has well delineated the import of the said expression by referring to the celebrated lexicographies. The collocation of the words "cause of words, wholly or in part, arises" seems to have been lifted from Section 20 of the Code of Civil Procedure, which section also deals with the jurisdictional aspect of the courts. As per that section the suit could be instituted in a court within the legal limits of whose jurisdiction the "cause of action wholly or in part arises". Judicial pronouncements have accorded almost a uniform interpretation to the said compendious expression even prior to the Fifteenth Amendment of the Constitution as to mean "the bundle of facts which would be necessary for the plaintiff to prove, if traversed, in order to support his right to the judgment of the court".

29. Learned counsel for the respondent/defendant submits that the appellant/plaintiff has firstly filed C.S.No.798 of 2006 at Chennai, before this Court, praying for the relief of permanent injunction, restraining the defendant by themselves, servants etc., in any manner from applying or causing to be applied in relation to the biscuit packets or any other goods contained in Class 09-01 and 09-07 of the Third Schedule to the Designs Rules, 2001, etc., as stated in the plaint and also to direct the defendant to deliver to the plaintiff for destruction of the packets bearing and/or containing the pirated design, shape, configuration, including dyes, moulds and other articles used by the defendant for re-producing and pirating the registered designs of the plaintiff, as mentioned in the plaint and secondly, the appellant/plaintiff has filed another suit for injunction in Nasik District Court and therefore, raises a plea of bar as per Order II Rule 2 of the C.P.C. However, the appellant/plaintiff's counsel submits that the second suit filed at Nasik District Court is founded on a different cause of action. At this juncture, this Court points out that when a plea of bar under Order II Rule 2 of the C.P.C. is raised, the Court has to ascertain whether the cause of action of the previous and subsequent suit, was identical and in the absence of proof of the identity of cause of action and pleadings, such a plea cannot be permitted to be raised in the considered opinion of this Court. To put it differently and precisely, the plea of bar under Order II Rule 2 of the C.P.C., can be established only if the respondent/defendant files in evidence the pleadings in the previous suit/subsequent suit and thereby proves to the satisfaction of the Court the identity of the said cause of action. In the instant case on hand, it is the case of the respondent/defendant that the action for counter claim has arisen on account of the infringement suit filed by the appellant/plaintiff before this Court in C.S.No.798 of 2006.

30. Moreover, the issue of jurisdictional dispute requiring evidence, must be decided along with the other issues in the suit, only at the time of trial.

31. The appellant/plaintiff's counsel submits that the Sales Officer of the appellant/plaintiff-Company filed an affidavit before this Court in Application No.6025 of 2007 in Civil Suit No.798 of 2006 on 4.9.2007 (received in Court on 5.9.2007), inter-alia stating that he went to the market in the City of Chennai and purchased two biscuit packets with infringing designs from two different places in Chennai and the cash memo and the cash bill along with the biscuit

packets were enclosed thereto and that the respondent/defendant-Company's biscuit packets with infringing designs as that of the appellant/plaintiff-Company, are available in the City of Chennai and the details of the distributor, has come to the knowledge of the appellant/plaintiff only after the filing of the suit and this has not been taken note of by the learned single Judge and the factum of sale of the defendant's biscuit packets with pirated designs, can be always proved during the course of trial, either by direct or indirect evidence, and therefore, 'revocation of leave' is unjustified.

32. The purpose of the Designs Act is to protect novel designs devised to be applied to particular articles to be manufactured and marketed commercially. The main concern is what the finished article is to look like and not with what it does and the monopoly provided for the Proprietor is effected by according not, as in the case of ordinary copyright, a right to prevent direct reproduction of the image registered as the design but the right, over much more limited period, to prevent the manufacture and sale of articles of a design not substantially different from the registered design and the stress is therefore upon the visual image conveyed by the manufactured article. It cannot be denied that the 'copyright' in an industrial design is governed by the Designs Act, 2000. If a design is registered under that Act, it is not eligible for protection under the Copyright Act. However, in the case of a design which is capable of being registered under the Designs Act, but not so registered, copyright will subsist under the Copyright Act, but it will cease to exist as soon as any article to which the design has been applied has been reproduced more than 50 times by an industrial process by the owner of the copyright or with his license by any other person. The Designs Act, unlike the Copyright Act, gives monopoly protection in the strict sense of the word rather than mere protection against copying as under the Copyright Act and though there is an area of overlap between the Copyright Act and the Designs Act, the two Acts do not give coterminous protection as regards the subject matter, in the considered opinion of this Court.

33. It is relevant to point out that the impugned order dated 5.9.2007 passed by the learned single Judge in Application No.6025 of 2007 in C.S.No.698 of 2006, praying for revocation of leave filed by the respondent/defendant, observed as follows:

"14. But, in the application for revocation of leave, it is stated categorically that "there is no proof of commercial sale on an extensive scale of the defendant's biscuit packed ...". It is also stated that "there is no advertisement of defendant's biscuits packed in alleged infringing wrappers in the city of Chennai and that there is no distributor, agent, stockists to sell our biscuits in Chennai. I state that the defendant's products with the alleged infringing designs are not sold commercially in the city of Chennai." Therefore, the respondent has come out with a categorical case that they do not have any agent or distributor within the jurisdiction of this Court."

34. According to the learned counsel appearing for the appellant/plaintiff, the above observations of the learned single Judge are not correct, in view of the averments in the supporting affidavit in A.No.6025 of 2007, filed by the Sales Officer of the appellant/plaintiff-Company to the effect that he has purchased two biscuit packets with infringing designs from two different places in Chennai and that the respondent/defendant-Company's biscuit packets with infringing designs as that of the plaintiff-Company, are available in Chennai. In this connection, this Court points out the decision

reported in 2005 (2) L.W. 14 (DB) (M/s.Integrated Finance Company Ltd. vs. TMT (India) Limited and another), wherein this Court held as under:

"It is trite law that in order to determine the cause of action or the jurisdiction of the Court, while considering the petition seeking permission under Clause 15 of the Letters Patent, we have to go only by the averments in the plaint, and not by the averments in the affidavit, though the petition and the affidavit in support of and against the revocation of leave are relevant, as held by a Division Bench of this Court in S.Nagaraj Vs. Govindasamy (1983) 96 L.W. 498. Therefore, we have to see the averments in the plaint, pertaining to the transaction, which took place between the plaintiff and the defendants."

35. Even though the bills for purchase of biscuit packets produced on the side of the appellant/plaintiff, are after-suit and the plaint also does not speak about the distributor, we are of the view that these matters can be proved by the appellant/plaintiff at the time of trial by adducing oral and documentary evidence to prove its case in the manner known to law and in that perspective, we are not in agreement with the contrary view expressed by the learned single Judge. Moreover, we opine that the averment in the plaint that this Court has jurisdiction to try the case, as the respondent/defendant, is extensively selling and continues to sell the pirated biscuit packets with the appellant/plaintiff's design in Chennai, is a question of jurisdiction and admittedly the same is a mixed question of fact and law, requiring oral and documentary evidence to be proved only during the course of trial and accordingly, we hold that the suit filed by the appellant/plaintiff before the Original Side of this Court, is perfectly maintainable in the eye of law.

36. Since in the instant case, the appellant/plaintiff-Company pleads that a part of cause of action has arisen within the jurisdiction of this Court, on the facts and circumstances of the case, there is a balance of convenience in favour of the plaintiff and in considering the balance of convenience as to the forum for instituting a suit, it is necessary for the Court to see the ultimate injury that a party may suffer, but in deciding whether to refuse the leave or not, it is necessary to see the facts and not the assumptions.

37. In regard to the contention of the appellant/plaintiff that it has instituted a suit against the respondent/defendant for selling the article/product bearing the registered design within the territorial jurisdiction of this Court, has given rise to the cause of action as a whole and as such, "leave to sue" as per Clause 12 of the Letters Patent is not required, it is to be pointed out that both the plaintiff and the defendant are having their registered offices outside Chennai, viz., Mumbai and Uttar Pradesh respectively.

38. In fact, the jurisdiction based on the cause of action and the jurisdiction based on the person of the defendant, are two separate categories.

39. Clause 12 of the Letters Patent in regard to the "Original Jurisdiction as to suits", the High Court of Judicature at Madras, in exercise of its Ordinary Original Civil Jurisdiction, is empowered to receive, try and determine suits of every description if, in the case of suits for land or other

immovable property, such land or property shall be situated, or, in all other cases, if the cause of action shall have arisen, either wholly, or, in case the leave of the Court shall have been first obtained, in part, within the local limits of the ordinary original jurisdiction of the said High Court: or if the defendant at the time of the commencement of the suit shall dwell or carry on business or personally work for gain, within such limits; except that the said High Court shall not have such original jurisdiction in cases falling within the jurisdiction of the Small Cause at Madras, in which the debt or damage, or value of the property sued for does not exceed hundred rupees.

40. Admittedly, Section 15 of the C.P.C. does not apply to the High Court in its Original Jurisdiction. Likewise, the ingredients of Section 20 of the C.P.C. cannot be made applicable to Clause 12 of the Letters Patent, inasmuch as the C.P.C. itself by Section 120, excludes the applicability of Section 20.

41. At this stage, this Court points out in the decision reported in 2004 (1) C.T.C. 418 (DB) (USV Limited vs. Systopic Laboratories Limited), in a case relating to passing-off action, the Division Bench inter-alia held that 'leave to sue' is not necessary if the defendant carries on business through mercantile agent within the territorial jurisdiction.

42. As far as the present case is concerned, the appellant/plaintiff has filed Application No.4056 of 2006 praying to grant leave to sue the respondent/defendant, on the basis that the defendant-Company is carrying on business at Noida, Uttar Pradesh, and in the affidavit in Application No.4056 of 2006, filed by the Area Sales Manager for the South Zone of the appellant/plaintiff-Company, there is no mention or whisper about the distributor of the respondent/defendant-Company, namely Arihant Pharmaceuticals/Chandok Enterprises. Even in the supporting affidavit in Application No.6025 of 2007, dated 4.9.2007, produced before the Court on 5.9.2007 on behalf of the appellant/plaintiff-Company, the Sales Officer of the appellant/plaintiff-Company has not mentioned about the name of the distributor of the respondent/defendant-Company, but the said supporting affidavit only refers to the purchase of two biscuit packets with infringing designs from two different places in Chennai, etc. and that the respondent/defendant-Company's biscuit packets with infringing designs as that of the appellant/plaintiff-Company, are available in the City of Chennai. Therefore, the contention that 'leave to sue' as per Clause 12 of the Letters Patent is not required to be present facts and circumstances of the case, put forward on the side of the appellant/plaintiff, is not accepted by this Court. On the other hand, it is to be pointed out that the appellant/plaintiff has filed 'leave to sue' application in Application No.4056 of 2006 on 29.9.2006 and the said A.No.4056 of 2006 was allowed by the learned single Judge on 11.10.2006. Only when the respondent/defendant filed Application No.6025 of 2007 to revoke the leave already granted in A.No.4056 of 2006 on 11.10.2006, the appellant/plaintiff has come forward with the contention that the leave to sue as per Clause 12 of the Letters Patent is not necessary, considering the present facts and circumstances of the case.

43. It is relevant to notice Section 22 of the Designs Act, 2000 in respect of "piracy of registered design", which runs as follows:

"Chapter V. Legal Proceedings:

22. Piracy of registered design. (1) During the existence of copyright in any design it shall not be lawful for any person--

(a) for the purpose of sale to apply or cause to be applied to any article in any class of articles in which the design is registered, the design or any fraudulent or obvious imitation thereof, except with the licence or written consent of the registered proprietor, or to do anything with a view to enable the design to be so applied; or

(b) to import for the purposes of sale, without the consent of the registered proprietor, any article belonging to the class in which the design has been registered, and having applied to it the design or any fraudulent or obvious imitation thereof; or

(c) knowing that the design or any fraudulent or obvious imitation thereof has been applied to any article in any class of articles in which the design is registered without the consent of the registered proprietor, to publish or expose or cause to be published or exposed for sale that article.

(2) If any person acts in contravention of this section, he shall be liable for every contravention--

(a) to pay to the registered proprietor of the design a sum not exceeding twenty-five thousand rupees recoverable as a contract debt, or

(b) if the proprietor elects to bring a suit for the recovery of damages for any such contravention, and for an injunction against the repetition thereof, to pay such damages as may be awarded and to be restrained by injunction accordingly.

Provided that the total sum recoverable in respect of any one design under clause (a) shall not exceed fifty thousand rupees:

Provided further that no suit or any other proceeding for relief under this sub-section shall be instituted in any court below the court of District Judge.

(3) In any suit or any other proceedings for relief under sub-section (2), every ground on which the registration of a design may be cancelled under section 19 shall be available as a ground of defence.

(4) Notwithstanding anything contained in the second proviso to sub-section (2), where any ground on which the registration of a design may be cancelled under section 19 has been availed of as a ground of defence and sub-section (3) in any suit or other proceeding for relief under sub-section (2), the suit or such other proceeding shall be transferred by the court, in which the suit or such other proceeding is pending, to the High Court for decision.

(5) When the court makes a decree in a suit under sub-section (2), it shall send a copy of the decree to the Controller, who shall cause an entry thereof to be made in the register of designs."

44. The plaint deals with the infringement and acts of piracy committed by the respondent/defendant. It is to be noted that the words, "actually and voluntarily resides or carries on business or personally works for gain" mentioned in Section 134(2) of the Trade Marks Act, is not found in Section 22 of the Designs Act, 2000. As a matter of fact, there is no provision under the Designs Act, 2000 for criminal proceedings against piracy of designs. Therefore, this Court is of the view that the appellant/plaintiff has rightly projected the application in A.No.4056 of 2000 seeking the leave of the Court to sue the defendant as per Clause 12 of the Letters Patent.

45. Moreover, the appellant/plaintiff-Company has acquiesced itself in projecting A.No.4056 of 2000, and therefore, at this distant point of time, it is not open for the appellant/plaintiff to take a diametrically and symmetrically opposite stand.

46. It cannot be lost sight of, of the fact that the question of difficulty and importance, cannot be dealt with in Application seeking revocation of leave under Clause 12 of the Letters Patent, in the considered opinion of this Court.

47. It is significant to add that the concept of "forum conveniens" has been developed only to avoid disastrous consequences, whereby a suit can be instituted against any person anywhere, irrespective of the place where the cause of action has arisen.

48. In the backdrop of the detailed discussions made supra, we are of the considered view that the learned single Judge is not correct in relying upon the averments made in A.No.6025 of 2007 for revocation of leave etc. and since the suit relates to questions of difficulty and importance, the same are not to be dealt with in the Application to revoke the leave, under Clause 12 of the Letters Patent and in that view of the matter, we set aside the impugned order dated 5.9.2007 passed by the learned single Judge in Application No.6025 of 2007 in Civil Suit No.798 of 2006, and resultantly, this Original Side Appeal filed by the appellant/plaintiff, is allowed, leaving it open for the parties to bear their own respective costs.

49. We also opine that since the suit (Civil Suit No.798) is of the year 2006 and considering the nature of controversies involved in the case, it is fit and proper for the parties to work out their remedies in the main suit in C.S.No.798 of 2006 conclusively, wherein, they can lead oral and documentary evidence to substantiate their case, and thrash out the matter in its entirety, enabling the Court to hear the said Suit finally and to render its findings on merits.

(M.C.J) (M.V.J) 9-9-2008 Index: Yes Internet: Yes cs To Sub-Assistant Registrar, Original Side, High Court, Madras.

M.Chockalingam,J and M.Venugopal,J cs Judgment in 9-9-2008