

Dabur India Ltd vs K.R. Industries on 16 May, 2008

Equivalent citations: AIR 2008 SUPREME COURT 3123, 2008 (10) SCC 595, 2008 AIR SCW 5265, 2008 CLC 1136 (SC), 2008 (8) SCALE 385, (2008) 69 ALLINDCAS 180 (SC), (2009) 2 CLR 126 (SC), 2008 (72) ALL LR 94 SOC, (2008) 8 SCALE 385, (2008) 3 RECCIVR 523, (2008) 5 MAD LJ 1394, (2008) 3 RECCRIR 316, (2008) 37 PTC 332, (2008) 4 ALL WC 3515

Author: S.B. Sinha

Bench: Lokeshwar Singh Panta, S.B. Sinha

REPORTABLE

IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO. 3637 OF 2008
(Arising out of SLP (C) No.20941 of 2006)

Dabur India Ltd.

... Appellant

Versus

K.R. Industries

... Respondent

JUDGMENT

S.B. SINHA, J.

1. Leave granted.

2. Appellant is a manufacturer of a product known as 'Dabur Red Tooth Powder' or 'Dabur Lal Dant Manjan'. In the year 1993, it had allegedly adopted a unique colour combination and arrangement of features which was subsequently changed in December 1999.

3. Respondent herein is also said to be manufacturer of a tooth powder known as 'Sujata'. It is said to have infringed the copy right of the appellant. A suit was filed by the appellant against the respondent in the Delhi High Court. Paragraph 7 of the plaint reads thus :

"7. In December 1999, the plaintiff adopted a new carton while retaining the conical shape and white cap for their product which is described hereinbelow :

7 On one column has the words RED TOOTH POWDER within a yellow blurb.

7 Immediately below the blurb is an oval shaped picture of a family with a yellow background.

7 Above these two features there is a legend within a blurb mentioning the fact that this is a new pack.

7 The column immediately next to it contain the same features in the Devnagri script.

7 A third column sets out the details including Composition, Weight, MRP and Manufacturers Name etc. 7 The top half of the third column contains an oval shaped device containing a diagrammatic representation of the herbs that constitute the ingredients of Plaintiffs product."

4. It was alleged that the said carton constituted an 'artistic work' within the meaning of Section 25-C of the Copyright Act, 1957 (the 1957 Act). Respondent is said to have been using an identical colour scheme lay out, arrangement of features and get up as that of the plaintiffs, the essential features whereof are :

7 "One column has the words RED TOOTH POWDER within a yellow blurb.

7 A column which contains the representation of a family in an oval shape picture.

7 There is a similar representation in the Devnagri script in another column.

7 The details of the product are set out in another column.

7 Above the details of the product there is advice of a lotus, similar to the positioning of the plaintiff's herbs in the plaintiff's carton."

5. The reliefs claimed for by the plaintiff in the said suit, inter alia, are :

"(A) An order of permanent injunction restraining the defendant, their partners, proprietors and/or promoters, as the case may be, their servants and agents, representatives, dealers and all others acting for and on their behalf from reproducing any of the artistic features of the plaintiff's DABUR RED TOOTH POWDER container/ packaging/pouch, including its colour combination, get up, layout or arrangement of features, printing, publishing, using or otherwise reproducing any of the artistic features thereof in any material from amounting to an infringement of copyright.

(B) An order of permanent injunction restraining the defendants, their partners, proprietors and/or promoters, as the case may be, their servants and agents, representatives, dealers and all others acting for and on their behalf from manufacturing, selling, offering for sale or otherwise directly or indirectly dealing in tooth powder packed in the impugned packaging or any other packaging as may be a slavish imitation and/or a substantial reproduction of the DABUR RED TOOTH POWDER container/packaging/pouch or from committing any other act as is likely to cause confusion and deception amounting to passing off."

6. Respondent filed an application in the suit purported to be under Order 7 Rule 11 of the Code of Civil Procedure, 1908 (hereinafter referred to as 'the Code') contending that as the defendant is resident of Andhra Pradesh, the Delhi High Court had no jurisdiction.

7. By reason of the impugned judgment and order dated 22.5.2006, a learned Single Judge of the High Court accepted the said contention of the respondent.

8. An intra court appeal preferred thereagainst has been dismissed by a Division Bench of the said Court holding that the matter is covered by the decision of this Court in *Dhodha House v. S.K. Maingi*, [(2006) 9 SCC 41]. It was stated :

"The learned Single Judge has also held that so far as the aforesaid relief relating to passing off is concerned, Delhi court does not have any territorial jurisdiction as the respondent/defendant is from Andhra Pradesh and there is no documentary evidence to show that the respondent was selling goods in Delhi. We agree with the aforesaid findings and conclusions recorded by the learned Single Judge. Accordingly, we find no merit in the submissions of the counsel appearing for the appellant that the composite suit of infringement of copyright and passing off would lie in the same forum. We also do not find any error in the judgment of the learned Single Judge as in our considered opinion so far the relief for passing off is concerned, the same is covered by the decision of the Supreme Court in *Dhodha House* case."

9. Mr. Fali S. Nariman, learned senior counsel appearing on behalf of the appellant, submits that the Division Bench of the High Court committed a serious error in passing the impugned judgment in so far as it failed to take into consideration the effect of a consolidated suit under the 1957 Act as also the Trade Marks Act, 1958 (for short 'the 1958 Act'), as would be evident from the following excerpts of *Dhodha House* (supra) :

"22. We are not concerned in this case with the maintainability of a composite suit both under the 1957 Act and the 1958 Act. Indisputably, if such a situation arises, the same would be permissible; but the same may not be relevant for the purpose of determining the question of a forum where such suit can be instituted. Sub-section (2) of Section 62 of the 1957 Act provides for a non obstante clause conferring jurisdiction upon the District Court within the local limits of whose jurisdiction, at the time of the institution of the suit or other proceeding, the persons instituting the

suit or other proceedings have been residing. In terms of sub- section (1) of Section 62, suit can be instituted and the proceedings can be initiated in respect of matters arising under the said chapter for infringement of the copyright in any work or the infringement of any other right conferred thereunder. It does not confer jurisdiction upon a District Court where the plaintiff resides, if a cause of action arises under the 1958 Act.

XXX XXX XXX

43. The short question which arises for consideration is 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?

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 whereof are that the plaintiff must actually and voluntarily reside to carry on business or personally work for gain."

10. Learned counsel would contend that the jurisdiction of the court to entertain a composite suit under the 1957 Act and the 1958 Act should be determined having regard to the provisions of Section 55 of the former. Then term 'Law' within the meaning of the said provision, it was submitted, would not only include a statute law but also the common law and, thus, viewed from that perspective a composite suit for infringement of a copyright as also passing of shall be maintainable. Strong reliance in this behalf has also been placed on *Expnar Sa & Anr. v. Eupharma Laboratories Ltd. & Anr.* [(2004) 3 SCC 688].

11. Mr. Shailen Bhatia, learned counsel appearing on behalf of the respondent, on the other hand, would submit that this Court in *Dhondha House* (supra) categorically held that the cause of action

for infringement of the 1957 Act and that of the 1958 Act are distinct and separate.

12. Order II Rule 3 of the Code, it was submitted, deals with pecuniary jurisdiction and not the territorial jurisdiction of the Court.

Drawing our attention to the provisions contained in Section 134 of the Trade Marks Act, 1999, the learned counsel would contend that in relation to a passing off the action, even the Parliament did not think it expedient that any provision giving an option to the plaintiff to file a suit where it resides and not the defendant.

13. Before adverting to the rival contentions of the parties, as noticed hereinbefore, we may notice the provision of sub-section (1) of Section 55 and sub-section (2) of Section 62 of 1957 Act, which read :-

"Section 55. Civil remedies for infringement of copyright--(1) Where copyright in any work has been infringed, the owner of the copyright shall, except as otherwise provided by this Act, be entitled to all such remedies by way of injunction, damages, accounts and otherwise as are or may be conferred by law for the infringement of a right; Section 62--Jurisdiction of court over matters arising under this Chapter (1) ...
....

(2) For the purpose of sub-section (1), a "district court having jurisdiction" shall, notwithstanding anything contained in the Code of Civil Procedure, 1908 (5 of 1908), or any other law for the time being in force, include a district court within the local limits of whose jurisdiction, at the time of the institution of the suit or other proceeding, 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 personally works for gain."

Sub-section (2) of Section 27 of the 1958 Act reads :-

"27. No action for infringement of unregistered trade mark. -

(1)

"(2) Nothing in this Act shall be deemed to affect rights of action against any person for passing off goods as the goods of another person or the remedies in respect thereof."

Sub-section 2 of Section 106 of 1958 Act reads :-

"Section 106 - Reliefs in suits for infringement or for passing off.-

(1)

(2) Notwithstanding anything contained in sub-

section (1), the court shall not grant relief by way of damages (other than nominal damages) or an account of profits in any case--

(a) where in a suit for infringement of a trade mark, the infringement complained of is in relation to a certification trade mark; or

(b) where in a suit for infringement the defendant satisfies the court--

(i) that at the time he commenced to use the trade mark complained of in the suit he was unaware and had no reasonable ground for believing that the trade mark of the plaintiff was on the register or that the plaintiff was registered user using by way of permitted use; and

(ii) that when he became aware of the existence and nature of the plaintiffs right in the trade mark, he forthwith ceased to use the trade mark in relation to goods in respect of which it was registered; or

(c) where in a suit for passing off the defendant satisfies the court--

(i) that at the time he commenced to use the trade mark complained of in the suit he was unaware and had no reasonable ground for believing that the trade mark of the plaintiff was in use; and

(ii) that when he became aware of the existence and nature of the plaintiffs trade mark, he forthwith ceased to use the trade mark complained of."

14. We may also at this stage notice the provisions of the Trade Marks Act, 1999, (for short, '1999 Act'), Section 134 whereof reads :-

"Section 134 - Suit for infringement, etc., to be instituted before District Court (1) No suit--

(a) for the infringement of a registered trade mark; or

(b) relating to any right in a registered trade mark; or

(c) for passing off arising out of the use by the defendant of any trade mark which is identical with or deceptively similar to the plaintiff's trade mark, whether registered or unregistered, shall be instituted in any court inferior to a District Court having jurisdiction to try the suit. (2) For the purpose of clauses (a) and (b) of sub-

section (1), a "District Court having jurisdiction"

shall, notwithstanding anything contained in the Code of Civil Procedure, 1908 (5 of 1908) or any other law for the time being in force, include a District Court within the local limits of whose jurisdiction, at the time of the institution of the suit or other proceeding, the person instituting the suit or proceeding, or, where there are more than one such persons any of them, actually and voluntarily resides or carries on business or personally works for gain.

Explanation.--For the purposes of sub-section (2), "person" includes the registered proprietor and the registered user."

Sub-section (1) of Section 135 of the 1999 Act reads :-

"Section 135. Relief in suits for infringement or for passing off.--(1) The relief which a court may grant in any suit for infringement or for passing off referred to in section 134 includes injunction (subject to such terms, if any, as the court thinks fit) and at the option of the plaintiff, either damages or an account of profits, together with or without any order for the delivery-up of the infringing labels and marks for destruction or erasure."

15. The question which was posed by the learned Single Judge is as under:-

"The next question, however, which is more important is whether the plaintiff can combine the two causes of action one under the Copyright Act and the second under the Act of 1958 in a situation where this court has the jurisdiction in so far as cause of action under the Copyright Act is concerned but has no territorial jurisdiction to entertain the cause of action relating to Act of 1958."

16. Noticing the provisions of Order II Rule 2 and 3 of the Code of Civil Procedure enabling the plaintiff to combine more than one cause of actions, it was opined that the said provisions relate to pecuniary jurisdiction. The said jurisdiction, however, can be exercised only in the event the court has otherwise jurisdiction in respect of the cause of action wherefor the action has been brought.

17. The learned Single Judge noticed some precedents and opined :-

"13. Normally, I would have felt myself bound by the aforesaid two judgments which are not only of this court but relate to same subject matter, namely, joining of two causes of action under trademark and copyright law. Even if I hold different opinion, the normal course of action would have been to refer the matter to the Division Bench. However, this is not necessary in the instant case in view of the fact that the controversy now stands settled by the Supreme Court in Dhodha House (supra)."

18. The Division Bench of the High Court on the other hand while holding that the High Court has jurisdiction to adjudicate and decide upon the relief of infringement of copyright observed that it would be open to the appellant to file a fresh suit in the court of competent jurisdiction in respect of

its action for passing off and thus the plaint is required to be returned for filing in the court of competent jurisdiction only in relation thereto.

19. In *Dhodha House* (supra) this Court was concerned with the correctness of judgments of the Allahabad High Court in *Surendra Kumar Maingi v. M/s. Dodha House*, [AIR 1998 Allahabad 43] and the decision of the Delhi High Court in : *P.M. Diesels Ltd. v. M/s. Patel Field Marshal*, [AIR 1998 Delhi 225]

20. It was clearly held that a judgment passed by a court having no territorial jurisdiction is a nullity. As regards the cause of action under the 1957 Act and a cause of action under the 1958 Act and or a passing off action, it was held that sub-section (2) of Section 62 would confer jurisdiction on a court where the plaintiff resides. The cause of action in respect of others was stated to be where the defendant resides.

It was also noticed that in a given case the petition under the 1957 Act or 1958 Act may be overlapping, holding :-

"44. 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."

21. Noticing that whereas in *Dhoda House* (supra) the infringement complained of primarily was that of 1958 Act and not under the 1957 Act, in *Patel Field Marshal* (supra) the thrust was on the sale of products and/or advertisement by the appellant for registration of trade marks in the Trade Marks Journal and other local papers.

The law was stated in the following terms :-

"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."

22. What would, however, be the nature of composite suit, was also be taken note of. The Court observed :-

"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."

It is in the aforementioned context, submission of Mr. Nariman that a composite suit would be maintainable having regard to sub-section (1) of Section 55 of the 1957 Act must be considered.

23. Sub-section (1) of Section 55 of 1957 Act provides for the remedies in terms whereof the plaintiff shall be entitled to all reliefs by way of injunction, damages, accounts and otherwise as are or may be conferred by law for the infringement of a right. It must be read as 'ejusdem generis'. It must take its colour from the words, 'any proceeding' namely the right to obtain a decree by way of injunction, decree for damages, accounts or other incidental reliefs which can be granted by a civil court. Such a provision can be found in the Code of Civil Procedure also, namely Order VII Rule 7 thereof. It is, therefore, in our opinion, would not be correct to read the word "as are or may be conferred by law" to mean, any other law, violation whereof although would give rise to separate and distinct cause of action. Under the Code claims arising under a statutes governing substantive or procedural law, a number of remedies may be combined. The Court may grant an order of injunction even in a passing off action. It is trite that where the court has the jurisdiction/power to adjudicate, it will necessarily have the incidental power therefor. It may, however, be different if the Court may have exercised a power which is not provided for as a supplemental proceeding e.g. Section 94 of the Code. {[See State of Punjab and Anr. v. Devans Modern Brewaries Ltd. and Anr [(2004) 11 SCC 26]}.

24. Thus, whereas an incidental power is inherent in the court, a supplemental power may also be exercised, keeping in view the ultimate relief which may be granted by it. We may notice that this Court in Sakiri Vasu v. State of U.P. and others, [(2008) 2 SCC 409] held that the Magistrate will have power to grant interim maintenance, although no such provision existed in Section 125 of the Code of Criminal Procedure, 1973.

Similarly in Hindustan Lever Ltd. v. Ashok Vishnu Kate, [(1995) 6 SCC 326] this Court has held that the Labour Court will have the power to grant injunction as an incidental power.

25. If a person is found to be guilty of violation of copyright he will be bound to pay damages. For the purpose of quantification of damages, taking of the accounts may be necessary and it is in this behalf the Parliament thought it fit to use the word "otherwise". Thus the power conferred by law within the meaning of sub-section (1) of Section 55 of 1957 Act qualifies the power of the court to grant remedies as envisaged thereunder if any other cause of action arose under a different Act. An action for passing off is common law right but the same does not determine the jurisdiction of the court. For exercising such jurisdiction, the provisions of the Code would be applicable. 1957 Act being a special law would, thus, prevail over the general law, viz., the Code.

26. Exphar Sa (supra) 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 copy right 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 :-

"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 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 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."

27. There cannot be any doubt whatsoever that the 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 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 paragraph 13 of Dhonda House (Supra) must be understood.

28. 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 Dhoda House (supra), although Exphar Sa (supra) was not noticed, the distinction would be apparent from the following :-

"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."

29. 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 II 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 Dhoda House (supra), therefore, would mean the suit which is founded on infringement of a copy right 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 Dhoda House (supra) but it never meant that two suits having different causes of actions can be clubbed together as a composite suit.

30. For the reasons aforementioned we do not find any merit in this appeal which fails and is dismissed with costs. Counsel's fee assessed at Rs.50,000/-.

.....J. [S.B. Sinha]J. [Lokeshwar Singh Pant] New Delhi;

May 16, 2008