

M/S. Dhodha House vs S.K. Maingi on 15 December, 2005

Equivalent citations: AIR 2006 SUPREME COURT 730, 2006 (9) SCC 41, 2006 AIR SCW 72, 2006 (1) ALL LJ 669, 2006 CLC 1 (SC), (2005) 10 SCALE 267, (2006) 1 SCJ 218, (2006) 1 CIVILCOURTC 533, (2006) 1 RECCRIR 385, (2006) 2 ICC 102, (2006) 3 MAD LW 96, (2006) 1 CLR 261 (SC), (2006) 3 CIVLJ 1, (2006) 70 CORLA 22, (2006) 1 ALL WC 864, (2006) 1 RAJ LW 543, (2006) 32 PTC 1, (2006) 1 MAD LJ 36, 2006 BLJR 1 29, (2006) 1 RECCIVR 174, (2006) 1 CURCC 28, (2006) 1 ANDHLD 138, (2005) 8 SUPREME 522, (2005) 2 HINDULR 559, (2005) 4 ICC 64, (2005) 3 CAL HN 353, 2006 (3) ALLMR (NOC) 1

Author: S.B. Sinha

Bench: B.P. Singh, S.B. Sinha

CASE NO.:

Appeal (civil) 6248 of 1997

PETITIONER:

M/s. Dhodha House

RESPONDENT:

S.K. Maingi

DATE OF JUDGMENT: 15/12/2005

BENCH:

B.P. Singh & S.B. Sinha

JUDGMENT:

JUDGMENT W I T H CIVIL APPEAL NO. 16 of 1999 S.B. SINHA, J :

Extent of jurisdiction of a civil court to determine a lis as regard infringement of the provision of the Copyright Act, 1957 (for short "the 1957 Act") and the Trade and Merchandise Marks Act, 1958 (for short "the 1958 Act") is in question in these appeals.

We would notice the fact of the matters separately.

Civil Appeal No. 6248 of 1997 :

The Appellant herein filed a suit against the Respondent to protect his copyright, trade marks and common law rights as regard his art work/ label/ trade mark and

wrapper contained in Annexure A to the memo of appeal which the Respondent had allegedly infringed by using the impugned trade mark/ art work/ label/ wrapper contained in Annexure B thereto.

According to the Appellant, the said art work/ label/ trade mark/ wrapper infringes the Appellant's trade mark registration 'Dhodha House' under Registration No. 277714-B in class 30 under the 1958 Act, as also copyright registered under the 1957 Act being registration No. A-5117 and A-5330 of 1970. The Appellant also claims it to be a prior user of the said trade mark and name and enjoys goodwill as well as reputation in respect thereof since 1960.

It is not in dispute that the Appellant carries on business of sweet meats in the district of Ghaziabad whereas the Respondent carries on the similar business in the name and style of M/s. V.R.K. Todha Sweet House at Kotkapura in the district of Faridkot. The Appellant herein filed a suit before the District Judge, Ghaziabad wherein it also prayed for an order of injunction. The learned 1st Addl. District Judge, Ghaziabad by an order dated 17.1.1992 passed an order of injunction against the Respondent in the following terms:

"Application 5-C is allowed to the extent that the OP/defendants, their servants, dealers, stockists, distributors, assigns, representatives and agents, are restrained during the pendency of the suit, from infringing the plaintiffs copyright existing in the art work/ label and wrapper, duly registered at Nos. A- 5117/70 and A-5330/70 under the Indian Copyright Act, 1957 by using these in the art work involved in defendant's labels, and wrappers entitled Manni's Todha Sweet or any other labels and wrappers, confusingly similar to the aforementioned art work, label and wrapper of the plaintiff. They are further restrained from passing off their goods and business as and for the business and goods of the plaintiff under the impugned trade mark Todha with prefix Maingi's or its labels and wrapper which are identical with deceptively similar to the trade mark Dhodha with prefix Royal and its labels and wrappers being used by the plaintiff in his distinctive get- up, make-up, colour scheme, combination and manner of writing."

The Respondent preferred an appeal thereagainst before the High Court of Judicature at Allahabad which was marked as First Appeal From Order No. 401 of 1992.

By an order dated 5.5.1997, the High Court inter alia held that the Civil Court had no territorial jurisdiction to try the suit. The High Court was further of the opinion that 'Dodha' is a name of a variety of sweet and it is not a special product which is manufactured by the plaintiff alone.

The Appellant is, thus, before us.

Civil Appeal No. 16 of 1999 :

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

The alleged cause of action for filing the said suit has been averred in paragraph 30 which reads as under:

"That the goods of the parties bearing the impugned trade marks are also sold in the Union Territory of Delhi. The Trade Marks Journals No. 823 dt. 16.9.83 and No. 876 dt. 1.12.85 and Journal No. 933 dt. 16.4.1988 were published in India by the Trade Marks Registry in respect of applications of the defendants for registration of the impugned trade marks, including the Union Territory of Delhi. Therefore, this Hon'ble Court has jurisdiction to entertain and try the present suit. Moreover, the jurisdiction of this Hon'ble Court is also attracted in view of Section 62(2) of the Copyright Act."

The value of the suit for the purposes of court fee and jurisdiction was fixed at Rs. 200/- each in relation to reliefs (i), (ii), (iii), (iv) and (v).

An application for injunction was filed by the First Respondent and by an order dated 28th September, 1995, the said application was rejected inter alia on the ground that the plaintiff has failed to prima facie show that the Delhi High Court had the territorial as also the pecuniary jurisdiction in relation thereto. The Plaintiff-Respondent No. 1 preferred an intra-court appeal before the Division Bench of the said Court which was marked as FAO (OS) 270 of 1995. By reason of the impugned judgment dated 10th March, 1998, the said appeal was allowed.

Before the Division Bench of the High Court, three contentions as regard the jurisdiction of the Delhi High Court were raised; firstly, under Section 62 of the

Copyright Act, 1957, secondly, in view of the fact that the defendants had sought for registration of trade mark at Delhi, and thirdly, the defendants are selling goods under the impugned trade mark at Delhi and, thus, plaintiff's right thereover had been violated at Delhi.

The Division Bench negated the contention raised on behalf of the Appellants herein that as both the parties are resident of and working for gain at Rajkot and no sale having been effected by them within the territorial jurisdiction of the court, the Delhi High Court had no territorial jurisdiction to entertain the suit.

On the first contention, the Division Bench was of the opinion that a composite suit based on infringement of trade mark, copyright, passing off and for rendition of accounts of profits as also injunction having been filed, the Delhi High Court had the territorial jurisdiction to entertain the suit.

On the second contention, the Division Bench relying on or on the basis of its earlier decision in *Jawahar Engineering Co. & Ors. Vs. M/s. Jawahar Engineering Pvt. Ltd.* [AIR 1984 Delhi 166] came to the opinion that a plaintiff can even seek a restraint order against the threat that is still to materialize once it comes to learn that the defendants had applied for registration of trade marks at Delhi wherefor they can pray for injunction to prevent any sale of the infringing product in Delhi.

The Bench did not go into the third question.

The two judgments before us, thus, have taken contrary views.

Cause of action, as is well-settled, is a bundle of facts which are necessary to be proved in a given case. Cause of action, it is trite, if arises within the jurisdiction of the court concerned empowers the court to entertain the matter. Determination of territorial jurisdiction of a civil court is governed by the provisions of the Code of Civil Procedure (for short, 'the Code'). Section 16 of the Code provides for institution of the suits where subject-matter of the suit is situate. Section 17 of the Code refers to the suits for immovable property within jurisdiction of different courts. Section 18 refers to place of institution of a suit where local limits of jurisdiction of courts are uncertain; whereas Section 19 of the Code contemplates suits for compensation for wrongs to person or movables, Section 20 of the Code, wherewith we are concerned in this case, provides that the suits which do not come within the purview of Sections 16 to 19 of the Code are to be instituted where the defendants reside or cause of action arises in the following terms :

"20. Other suits to be instituted where defendants reside or cause of action arises.--Subject to the limitations aforesaid, every suit shall be instituted in a Court within the local limits of whose jurisdiction

(a) the defendant, or each of the defendants where there are more than one, at the time of the commencement of the suit, actually and voluntarily resides, or carries on business, or personally works for gain; or

(b) any of the defendants, where there are more than one, at the time of the commencement of the suit, actually and voluntarily resides, or carries on business, or personally works for gain, provided that in such case either the leave of the Court is given, or the defendants who do not reside, or carry on business, or personally work for gain, as aforesaid, acquiesce in such institution ; or

(c) the cause of action, wholly or in part, arises.

[Explanation].--A corporation shall be deemed to carry on business at its sole or principal office in [India] or, in respect of any cause of action arising at any place where it has also a subordinate office, at such place."

The jurisdiction of the District Court to determine a lis under the 1957 Act as also the 1958 Act must, thus, be instituted where the whole or a part of cause of action arises. Sub-section (2) of Section 62 of the 1957 Act provides for an additional forum therefor in the following terms :

"(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."

Admittedly, no such additional forum had been created in terms of the provisions of the 1958 Act.

The objects and reasons for engrafting the said provision show that the same was done to enable the authors to file a suit for violation of the 1957 Act at the place where they reside. Submission made at the Bar, however, is that there may be cases which give a composite cause of action for initiating action both under the 1957 Act as also under the 1958 Act. Reliance, in this behalf, has been placed on a definition of "mark" as contained in Section 2(j) of the 1958 Act, to urge that artistic work within the meaning of the 1957 Act is also a 'mark' within the meaning thereof and, thus, different causes of action arising under both the Acts can be combined. Reference, furthermore, has been made to Section 105 of the 1958 Act to show that reclassification in respect of existing registration is permissible. 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.

Order II Rule 3 of the Code provides that the plaintiff may unite in the same suit several causes of action against the same defendant, or the same defendants jointly. The said order contemplates uniting of several causes of action in the same suit. By necessary implication, a cause of action for infringement of Copyright and a cause of action for infringement of Trade Mark or a cause of action of passing off would be different. Even if one cause of action has no nexus with another, indisputably Order II Rule 3 may apply. However, by reason of application of Order II Rule 3 of the Code ipso facto would not confer jurisdiction upon a court which had none so as to enable it to consider infringement of trade mark under the 1957 Act as also the 1958 Act.

It is trite law that a judgment and order passed by the court having no territorial jurisdiction would be nullity.

In *Kiran Singh and Others vs. Chaman Paswan and Others* [AIR 1954 SC 340], this Court observed :

" It is a fundamental principle well-established that a decree passed by a court without jurisdiction is a nullity, and that its invalidity could be set up whenever and wherever it is sought to be enforced or relied upon, even at the stage of execution and even in collateral proceedings. A defect of jurisdiction, whether it is pecuniary or territorial, or whether it is in respect of the subject-matter of the action, strikes at the very authority of the court to pass any decree, and such a defect cannot be cured even by consent of parties. A judgment or order passed by a court lacking territorial jurisdiction, thus, would be *coram non iudice*. Thus, if a district court, where the plaintiff resides but where no cause of action arose otherwise, adjudicates a matter relating to infringement of trade mark under the 1958 Act, its judgment would be a nullity.

Mr. S.K. Bansal, the learned counsel appearing for the Appellants, however, placed strong reliance on a decision of the Delhi High Court in *M/s Jawahar Engineering Company and Others, Ghaziabad v. M/s Jawahar Engineers Pvt. Ltd., Sri Rampur, Dist. Ahmednagar, Maharashtra* [1983 PTC 207], wherein the question involved for determination was as to whether the plaint filed therein should be returned in terms of Order VII Rule 10 of the Code. In that case, the plaintiff had a registered trade mark 'Jawahar' in respect of diesel oil engines whereas the defendant had applied for registration of the trade mark 'Jawahar' in respect of diesel oil engines for the States of Uttar Pradesh, Punjab, Haryana, Bihar, Rajasthan and the Union Territories of Delhi and Chandigarh. Although it was held that as diesel engines were not sold in Delhi, no cause of action arose within the jurisdiction of Delhi High Court; nor the advertisement published in a journal "Parwez" published from Ludhiana would

confer such jurisdiction. But it was opined that having regard to the fact that an advertisement had appeared in the Trade Marks Journal as regard application for registration of the trade mark of the defendant therein, the Delhi High Court would have jurisdiction in the matter. A Letters Patent Appeal was preferred thereagainst, wherein the Division Bench of the High Court held :

" Section 20 of the Code of Civil Procedure shows that a suit like the present can be filed wherever the cause of action wholly or partly arises. The plaintiff has prayed for an injunction regarding a threatened breach of a registered trade mark. The learned single Judge held that the Delhi Court does not have jurisdiction on the ground of any sale having been made in Delhi, but does have jurisdiction on account of the advertisement having appeared in the Trade Marks Journal. The real point which gives the Court jurisdiction is not the place where the advertisement has appeared, but the fact that the trade mark is sought for sale in Delhi amongst other places. Furthermore, when an injunction is sought, it is not necessary that the threat should have become a reality before the injunction and it can even be sought for a threat that is still to materialize."

The said decision has no application in the instant case for more than one reason. For the purpose of registration of a trade mark, an application must be filed in the branch office of the Registrar of Trade Marks. It is not in dispute that under Section 5(3) of the 1958 Act, the Central Government has issued a notification in the official gazette defining the territorial limits within which an office of the Trade Marks Registry may exercise its functions. The office of the Trade Marks Registry at New Delhi exercises jurisdiction over the States of Haryana, Himachal Pradesh, Jammu & Kashmir, Punjab, Rajasthan and Uttar Pradesh and the Union Territory of Chandigarh and National Capital Territory of Delhi. Whereas in M/s. Dhodha House v. S.K. Maingi, no such application has been filed, admittedly in M/s Patel Field Marshal Industries & Ors. v. M/s P.M. Diesels Ltd, the Delhi office has no jurisdiction as parties are residents of Rajkot and an application was filed by the Appellant for registration of its trade mark at Bombay. If an objection is to be filed, the same has to be filed at Bombay. An advertisement by itself in a journal or a paper would not confer jurisdiction upon a court, as would be evident from the following observations of this Court in Oil and Natural Gas Commission v. Utpal Kumar Basu and Others [(1994) 4 SCC 711] :

" Therefore, broadly speaking, NICCO claims that a part of the cause of action arose within the jurisdiction of the Calcutta High Court because it became aware of the advertisement in Calcutta, it submitted its bid or tender from Calcutta and made representations demanding justice from Calcutta on learning about the rejection of its offer. The advertisement itself mentioned that the tenders should be submitted to EIL at New Delhi; that those would be scrutinised at New Delhi and that a final decision whether or not to award the contract to the tenderer would be taken at New Delhi. Of course, the execution of the contract work was to be carried out at Hazira in Gujarat. Therefore, merely because it read the advertisement at Calcutta and submitted the offer from Calcutta and made representations from Calcutta would not, in our opinion, constitute facts forming an integral part of the cause of action. So

also the mere fact that it sent fax messages from Calcutta and received a reply thereto at Calcutta would not constitute an integral part of the cause of action "

A cause of action will arise only when a registered trade mark is used and not when an application is filed for registration of the trade mark. In a given case, an application for grant of registration certificate may or may not be allowed. The person in whose favour, a registration certificate has already been granted indisputably will have an opportunity to oppose the same by filing an application before the Registrar, who has the requisite jurisdiction to determine the said question. In other words, a suit may lie where an infringement of trade mark or copyright takes place but a cause of action for filing the suit would not arise within the jurisdiction of the court only because an advertisement has been issued in the Trade Marks Journal or any other journal, notifying the factum of filing of such an application.

Strong reliance has also been placed on a recent decision of this Court in *Expfar SA and Another v. Eupharma Laboratories Ltd. and Another* [(2004) 3 SCC 688], wherein it was held :

"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."

In that case an allegation of violation of copyright was made, wherefor the jurisdiction of the court was sought to be attracted stating :

"(a) the copyright of the plaintiffs (appellants) in the "Maloxine" carton was being infringed by the respondents; (b) the plaintiffs (appellants) carry on business in Delhi and one of them has a registered office in New Delhi. It was also stated that the defendants carry on business for profit in New Delhi within the jurisdiction of the High Court."

No infringement of the trade mark as such was, thus, in question in that case.

In any event, the questions which have been raised herein had not been raised in *Expfar SA* (supra).

It is well-settled that a decision is an authority what it decides and not what can logically be deduced therefrom. [See *Bharat Forge Co. Ltd. v. Utam Manohar Nakate* (2005) 2 SCC 489; *M.P. Gopalakrishnan Nair and Anr. V. State of Kerala and Ors.* (JT 2005 (4) SC 436) & *Haryana State Coop. Land Development Bank v. Neelam* (2005) 5 SCC 91].

In Premier Distilleries Pvt. Ltd. v. Shashi Distilleries [2001 PTC 907 (Mad)], a Division Bench of the Madras High Court in a matter involving a passing off action, was of the view :

"The cause of action in a suit for passing off, on the other hand and as already observed, has nothing at all to do with the location of the Registrar's office or the factum of applying or not applying for registration. It is wholly unnecessary for the plaintiff to prove that he had applied for registration. The fact that the plaintiff had not applied for registration will not improve the case of the defendant either. Filing of an application for registration of a trade mark, therefore, does not constitute a part of cause of action where the suit is one for passing off."

It was further observed :

"The argument advanced that registration if granted would date back to the date of application and that the plaintiff would have the right to seek amendment of the plaint to seek relief on the ground of infringement as well, is wholly irrelevant so far as the cause of action for bringing a suit for passing off is concerned. While it may be convenient to the plaintiff to institute a suit in a court where he may later on be able to bring a suit for infringement of the trade mark, that convenience of the plaintiff is in no way relevant for deciding as to whether a cause of action for filing a suit for passing off can be said to have arisen in a place where, the deceit alleged to have been practised by the defendant had in fact, not been practised within the jurisdiction of the court in which the suit is brought."

The views expressed therein have our concurrence.

[See also Gold Seal Engineering Product Pvt. Ltd. & Ors. v. Hindusthan Manufacturers and Ors. AIR 1992 (Bombay) 144] The Allahabad High Court in the impugned judgment held :

" In the present case a bare perusal of the plaint would show that the suit is based upon alleged infringement of registered trade mark or relating to any right in a registered trade mark or for passing off by the defendant of any trade mark which is identical with or deceptively similar to the plaintiff's trade mark. Such a suit cannot be entertained by the Court at Ghaziabad in view of Section 105 of the Trade and Merchandise Marks Act. The mere fact that the Court may have jurisdiction to entertain the suit with respect to a cause of action under the Copyright Act under Section 62 of the Act can be of no avail. I am therefore of the opinion that the Court at Ghaziabad has no territorial jurisdiction to try the suit."

In the event, the averments in the plaint disclose a cause of action under the Copyright Act, indisputably, the same would survive but if the cause of action disclosed is confined only to infringement of Trade and Merchandise Act, or of passing off an action, the suit would not be maintainable.

The Delhi High Court in its judgment placed strong reliance upon a judgment of the same court in *Tata Oil Mills Co. Ltd. v. Reward Soap Works* [AIR 1983 Delhi 286], wherein it was held that a composite suit based on infringement of trade mark, copyright, passing off and for rendition of accounts of profits, seeking to restrain the defendants from infringing its trade mark and wrapper claiming the same to be identical with or deceptively similar to the wrapper of the plaintiff mark, is maintainable, holding :

"The comparative scope of a copyright and trade mark registration are different, even though where a design on a wrapper is registered under the Copyright Act, there is, to an extent, an overlapping between the two remedies. Some controversy is no doubt possible if the mere jurisdiction of the Court to entertain an action for infringement of copyright would also give the court the necessary jurisdiction to deal with the corresponding infringement of trade mark, where both constitute part of a composite suit. In view of the undoubted jurisdiction of this court in relation to the infringement of copyright, court would be justified in granting injunction of both the trade mark and the copyright at this stage of the proceedings, particularly, where there is a specific averment in the plaint, whatever it may be worth, that the plaintiff has been selling the goods, inter alia, within territorial jurisdiction of this Court."

It was held that although in *Dodha House* (supra) *Tata Oil Mills* (supra) was noticed but had not been distinguished on cogent grounds, the former was not followed.

The Delhi High Court, as noticed hereinbefore, however, did not advert to the third contention raised therein saying that the question as to whether the defendants had been selling its product on a commercial scale at Delhi was a question of fact and, thus, was required to be properly determined in case evidence is led by the parties.

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?

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. The 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 the Parliament. The intention of the Parliament in not providing for an additional forum in relation to the violation of the 1958 Act is, therefore, clear and explicit. The Parliament while enacting the Trade Marks Act, 1999 provided for such an additional forum by enacting sub-section (2) of Section 134 of the Trade Marks Act. The court shall not, it is well well-settled, readily presume the existence of jurisdiction of a court which

was not conferred by the statute. For the purpose of attracting the jurisdiction of a court in terms of sub-section (2) of Section 62 of the 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.

In *Dhodha House* (supra), admittedly the plaintiff-Appellant neither resided at Ghaziabad nor carried on any business at the place of residence of the respondent. In *Patel Field Marshal* (supra), the registered office of the plaintiff-firm was at Rajkot. Ordinarily, the residence of a company would be where registered office is [See *Morgan Stanley Mutual Fund Vs. Kartick Das* (1994) 4 SCC 225].

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

"(1) The agent must be a special agent who attends exclusively to the business of the principal and carries it on in the name of the principal and not a general agent who does business for any one that pays him. Thus, a trader in the mufassil who habitually sends grain to Madras for sale by a firm of commission agents who have an independent business of selling goods for others on commission, cannot be said to "carry on business" in Madras. So a firm in England, carrying on business in the name of A.B. & Co., which employs upon the usual terms a Bombay firm carrying on business in the name of C.D. & Co., to act as the English firm's commission agents in Bombay, does not "carry on business" in Bombay so as to render itself liable to be sued in Bombay.

(2) The person acting as agent must be an agent in the strict sense of the term. The manager of a joint Hindu family is not an "agent" within the meaning of this condition.

(3) To constitute "carrying on business" at a certain place, the essential part of the business must take place in that place. Therefore, a retail dealer who sells goods in the mufassil cannot be said to "carry on business" in Bombay merely because he has an agent in Bombay to import and purchase his stock for him. He cannot be said to carry on business in Bombay unless his agent made sales there on his behalf. A Calcutta firm that employs an agent at Amritsar who has no power to receive money or to enter into contracts, but only collects orders which are forwarded to and dealt with in Calcutta, cannot be said to do business in Amritsar. But a Bombay firm that has a branch office at Amritsar, where orders are received subject to confirmation by

the head office at Bombay, and where money is paid and disbursed, is carrying on business at Amritsar and is liable to be sued at Amritsar. Similarly a Life Assurance Company which carries on business in Bombay and employs an agent at Madras who acts merely as a Post Office forwarding proposals and sending moneys cannot be said to do business in Madras. Where a contract of insurance was made at place A and the insurance amount was also payable there, a suit filed at place B where the insurance Co. had a branch office was held not maintainable.

Where the plaintiff instituted a suit at Kozhikode alleging that its account with the defendant Bank at its Calcutta branch had been wrongly debited and it was claimed that that court had jurisdiction as the defendant had a branch there, it was held that the existence of a branch was not part of the cause of action and that the Kozhikode Court therefore had no jurisdiction. But when a company through incorporated outside India gets itself registered in India and does business in a place in India through its agent authorized to accept insurance proposals, and to pay claims, and to do other business incidental to the work of agency, the company carries on business at the place of business in India."

[See Mulla on the Code of Civil Procedure (Act V of 1908) - Fifteenth Edition - Volume I, Pages 246-247.] A corporation in view of Explanation appended to Section 20 of the Code would be deemed to be carrying on business inter alia at a place where it has a subordinate office. Only because, its goods are being sold at a place would thus evidently not mean that it carries a business at that place.

In Dhodha House (supra), the High Court has positively arrived at a finding that the infringement complained of primarily is that of the 1958 Act and not under Copyright Act.

In Patel Field Marshal (supra) again 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 Division Bench of the High Court, as has been noticed hereinbefore, did not advert to the issue as to whether the defendant had been selling its product in Delhi on commercial scale or not. It is, therefore, not necessary for us also to dilate further on the said question. We have furthermore noticed hereinbefore that the advertisement appearing in a journal or newspapers by itself would not confer any jurisdiction on the court, if it otherwise did not have any.

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.

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. 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.

It is not in dispute before us that the application for registration of the trade mark was to be filed either at Bombay or at Ahmedabad. The objections thereto by the plaintiff were also required to be filed at the said places. The jurisdiction of the Delhi court could not have been invoked only on the ground that advertisement in respect thereof was published in the Trade Marks Journal. Section 62 of the 1957 Act, therefore, will have no application. The plaintiff has no branch office at Delhi. Its manufacturing facilities are not available at Delhi. Both its trade mark and copyright are also not registered at Delhi.

Our attention has been drawn to the provisions of Section 45 of the Trade Marks Act; sub-section 2(m) whereof shows that the marks includes a device, brand, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof. It may be so that in a given case if such label is registered, a violation thereof may give rise to cause of action under the said Act; but only because in a given case, the activities on the part of the defendant may give rise to a cause of action both under the 1958 Act as also under the 1957 Act, the same would not mean, irrespective of the nature of violation, the plaintiff would be entitled to invoke the jurisdiction of the court in terms of sub-section (2) of Section 62 of the 1957 Act.

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.

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.

In Patel Field Marsahal (supra), however, we may notice that a subsequent development has taken place, namely, after the remand, a learned Single Judge of the Delhi High Court is said to have granted an order of injunction in favour of the plaintiff-respondent and the matter is pending before the Division Bench. As we have not expressed our views on the merit of the matter, it is needless to mention that the Division Bench shall proceed to determine the questions raised before it on their own merits.

For the reasons aforementioned, Civil Appeal No. 6248 of 1997 filed by M/s Dhodha House is dismissed and Civil Appeal No. 16 of 1999 preferred by M/s Patel Field Marshal is allowed. The parties shall pay and bear their own costs.

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