



IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
INTERIM APPLICATION (L) NO.2548 OF 2024
IN
COMMERCIAL IP SUIT (L) NO.27330 OF 2023

Shree Sai Plast Pvt. Ltd.] .. Applicant

In the matter between

Prince Pipes and Fittings Ltd.] .. Plaintiff

vs.

Shree Sai Plast Pvt. Ltd.] .. Respondent

Mr.Alankar Kirpekar a/w Shekhar Bhagat, Ayush Tiwari, Amit Kukreja, Rajas Panandikar and Chinmay Pagedar i/b Shekhar Bhagat for the Applicant.

Mr.Rashmin Khandekar a/w K. Khanna, Madhu Gadodia, Depak Deshmukh and Anisha Nair i/b Anand & Naik for the Plaintiff.

CORAM : BHARATI DANGRE, J

DATE : 14th March, 2024.

P.C.

1] The Interim Application is taken out by the Defendant, Shree Sai Plast Pvt. Ltd. in the Commercial Suit filed by the Plaintiff against the Defendant for infringement of trademark, copyright and passing off, alleging that the Defendant is engaged in infringing activities and is attempting to ride upon the reputation and goodwill of the Plaintiff and due to its act, the Plaintiff has suffered irreparable loss, injury, damage and harm.

2] Pending the Suit, the Defendant has taken out the Interim Application under Order VII Rule 10 of the Code of Civil Procedure, seeking return of the Suit filed by the suit filed by the Plaintiff, to be presented to the Court, in which it should have been instituted.

Upon the objection raised by the learned counsel for the Plaintiff Mr. Khandekar that in charter High Courts, the provision under Order VII Rule 10 cannot be invoked and in fact in The Bombay High Court (Original Side) Rules, 1980, the provision to be invoked is in form of Rule 283, the learned counsel Mr. Kirpekar make a request that this Application shall be treated as the one under Rule 283.

Since I find that the power to be exercised under Section 283 is akin to the one available under Order VII Rule 10, the Application is proceeded with as an Application filed under Rule 283.

3] The relief of return of Plaintiff is premised on the pleading that registered office of the Plaintiff at the time of filing of the Suit is at Goa, which is evident from its Incorporation Certificate and even the ROC record indicate to that effect.

It is pleaded that the principal place of business of the company is its registered office and hence the Suit for Infringement can be filed by the registered proprietor of the Trademark at the registered office of the Plaintiff, if the Plaintiff is a Company registered under the Companies Act, as the Company carries on business at its registered office. The Suit is, therefore, sought to be returned on the ground that this Court do not have jurisdiction to try, entertain and dispose off the present Suit.

4] I have heard the learned counsel Mr. Alankar Kirpekar for the Applicant, who would place reliance upon the decision of the Apex

Court in the case of *Indian Performing Rights Society Ltd. vs. Sanjay Dalia & Ors.* (citation) as well as decision of this Court (G.S. Patel,J) dated 15.06.2016 on Notice of Motion in the case of *Manugraph India Limited vs. Simarq Atechnologies Pvt. Ltd. & Ors.*, where a comparison is drawn between Section 134(2) of the Trade Marks Act, 1999 and Section 62(2) of the Copyright Act, 1957 as against Section 20 of the CPC and it is the submission of Mr. Kirpekar that the Plaintiff has its registered office in Goa though it may carry its business in Mumbai and the Defendant is situated in Patna as it is a Company incorporated in Bihar and, therefore, the Suit ought to have been filed either at Goa i.e. at the place where registered office of the Company is located or the place where the Defendant is carrying business.

Drawing inference from the decisions on which he has placed reliance, Mr.Kirpekar would submit that the Company like that of the Plaintiff can exercise three choices, while it decides to institute the proceedings for infringement of Trade marks/Copyright and the choices available according to him are ; the Suit can be filed at the place where registered office of the Company is situated, or at the place where the Defendant is situated and the third choice which is available according to Mr. Kirpekar as per Section 134(2) of the Trade Marks Act, 1999, that the place where the Company carried on business. According to him, an additional forum is created by virtue of the said provision, but it is likely to be misused by the Companies, like that of the Plaintiff, which are conglomerates and have their branch offices or sub offices at difference places, leaving it open to file Suit at any of his places where the business is transacted and taking the Defendant for a right.

Mr. Kirpekar has specifically drawn my attention to the conclusion derived by G.S. Patel, J in the case of *Manugraph India Limited (supra)* and in particular Para 36 (d), which reads to the following

effect :-

“(d) The Section 134(2) and Section 62(2) privilege or advantage attaches to the registered office or principal place of work. It is a privilege not to be used by abandoning the registered office situs, abandoning the Section 20 situs options, and travelling to some remote location where there is neither defendant nor cause of action. That is the mischief addressed in Sanjay Dalia. To illustrate : The defendant is in Delhi. The cause of action arose in Delhi. The plaintiff also has another branch office in Port Blair. A plaintiff can sue in Mumbai or in Delhi, but not in Port Blair.”

5] Opposing him, Mr. Khandekar, would invite my attention to Clause 67 of the Plaint and it is his specific submission that the Plaintiff has specifically described itself as a Company incorporated under the Companies Act, 1956, having its principal place of business at, the Ruby, 8th Floor, 29, Senapati Bapat Marg, Dadar (W), Mumbai, Maharashtra and by inviting my attention to Para 1 of the Plaint, he would submit that the Plaintiff has pleaded that its principal place of business is in Mumbai, whilst it is *inter alia* engaged in manufacturing and export of pipes in India, it being incorporated in the year 1987.

Mr.Khandekar would submit that the Defendant is proceeding on a premise that the principal place of business is synonym to the registered office and that is why the Defendant is relying upon the decision in the case of *Manugraph India Limited (supra)* and attempting to draw a parlance with a registered office of the Company.

According to Mr. Khandekar, a registered office of the Petitioner is in Goa, but its principal place of business is in Mumbai and Para 67 of the Plaint has specifically set out the details of the business activity carried out by the Plaintiff from Mumbai. He would place reliance upon the decision of Calcutta High Court in the case of *India Glycols Ltd & Ant. vs. Commissioner of Income Tax and Another*, (citation) to buttress his submission that the principal place of business may or may

not a registered place of business.

6] Drawing my attention to the averments in the Complaint, where the Plaintiff seeks action against the Defendant for infringement of its registered trademark, I take note of the relevant pleadings as regards jurisdiction and cause of action.

Cause of action

“64 The Plaintiff filed oppositions against the impugned marks till March 2021. As such, the Plaintiff put the Defendant’s notice at the earliest possible instance that it was opposed to the Defendant using the impugned marks. The Defendant has filed its counter statements in four of the oppositions on 20.1.2022, 20.01.2022, 20.01.2022, 04.03.2021, 02.05.2022 and 07.09.2021. In May 2023, the Plaintiff actually noticed the Defendant’s website which showed user of the impugned mark in a clear and unambiguous manner. There is therefore no delay in the institution of the present proceedings. In any event the cause of action is such that it arises from day to day and therefore orders of judicial restraint are warranted.

65. More importantly what is required to be protected is public interest, clearly the impugned marks which are slavish imitations of the Plaintiff’s registered marks are bound to create confusion not only in the minds of the public at large but also the members of the trade. Therefore, there is no question of any delay coming in the way of the Plaintiff for urgent ad-interim reliefs.”

JURISDICTION

“67. The Plaintiff states that it has its principal place of business within the Jurisdiction of this Hon’ble Court. The Plaintiff carries on business from its principal office and/or head office in Mumbai. The Plaintiff’s corporate head office/principal office is (i) approximately 12477 sq. ft., (ii) more than 110 persons are working in the principal office (iii) all head of the departments and senior functionaries of marketing department, finance department, sales department, human resource department, I.T. department, export department, distribution department sit in the principal office/head office at Mumbai from where they direct, control and co-ordinate the business activities of Plaintiff company, (iv) books of accounts are maintained in Mumbai, (v) board of directors meetings are held at principal office and/or head office in Mumbai (vi) minutes of board meetings are maintained in Mumbai (vii) statutory auditors are in Mumbai and the audits are conducted in Mumbai (viii) all directors have a residence in Mumbai (except independent directors (ix) all purchase orders are issued from Mumbai (x) the primary bank accounts of the Plaintiff are in Mumbai (xi) all micro and/or macro policy decisions are taken in Mumbai, (xii) the Plaintiff is holding Shop and

Establishment licenses which are essential for the purpose of carrying on their business at their Principal office and/or Head Office being the address in the cause title, (xiii) the Managing Director has his office in Mumbai at the address mentioned in the cause title, (xiv) all Directors have their office in Mumbai, (xv) the registration of all trade marks and copyright is undertaken from Mumbai, in fact, all steps for the protection of the IP undertaken from Mumbai. The controlling power of the Plaintiff is at Mumbai and all effective business activities are carried on from Mumbai. The Plaintiff actually carries on business as contemplated in section 134(2) of the Trade Marks Act, 1999 at Mumbai. Hence, under the provisions of Section 134(2) of the Trade Marks Act, this Hon'ble Court has jurisdiction to try and entertain the claim in respect of infringement of trade mark. The same set of facts have given rise to the cause of action for infringement of Copyright of the Plaintiff and this Hon'ble Court has jurisdiction to entertain the same under Section 62(2) of the Copyright Act, 1957.

68. The Defendant has their place of business outside the territorial jurisdiction of the Honb'e Court and the impugned goods are available outside the territorial jurisdiction of this Hon'ble Court. As such, the cause of action in respect of passing off is taking place outside the territorial jurisdiction of this Hon'ble Court. The Plaintiff is therefore taking out a separate petition under Clause XIV of the Letters Patent Act, 1866 for combining the cause of action in respect of infringement of its trade mark and passing off. Upon the leave being granted, this Hon'ble Court shall have jurisdiction to try and entertain the suit even in respect of passing off."

.. Section 134 of the Trade Marks Act determine the Court in which a Suit for infringement of registered trade mark or for passing off, shall be instituted and what is relevant is Sub-section (2) of Section 134, which reads thus :

"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.”

7] The relevant provision for the purposes of the Code of Civil Procedure, for determining the place where a Suit is to be instituted is contained in Section 20, which reads thus :

“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.”

8] Section 62 of the Copyrights Act is in paramateria to Section 134, of the Trade Marks Act, 1999. Reading of the aforesaid provisions, make it evident that Section 134 of the Trade Marks Act provide an additional forum to the one prescribed under Section 20 of the Code, in form of the District Court, within limits of which, the Plaintiff actually and voluntarily resides or carry on business or personally works for gain. The reason being obvious i.e. the Plaintiff is permitted to institute a Suit for infringement at a place where he or they reside or carry their business.

The use of the words “notwithstanding anything” contained in the code of Civil Procedure or any other Law for the time being in force,

though do not oust the applicability of Section 20 of the Code, but Sub-Section (2) of Section 134 provided, an additional forum for the Plaintiff, to file a Suit at a place where he is residing or working for gain, carrying on business.

Section 20 of the Code, enable the Plaintiff to file a Suit where the Defendant resides and/or where the cause of action has arose and therefore in Section 20, the venue is dependent on the place of residence of the Defendant or the place where he or they carry on business or personally work for gain or where the cause of action arose, either wholly or in part.

In order to offer clarification as regards a 'Corporation' the explanation appended to Section 20, make it clear that the 'Corporation' can be sued at a place having its sole or principal office, or when the cause of action arose wholly or in part, at a place where it has a subordinate office.

9] The effect of the explanation to Section 20 of the Code in relation to the Corporation is crystal clear; if the Corporation has subordinate office in the place where the cause of action arises, wholly or in part it cannot be heard to say that it cannot be sued there, because it did not carry on business at that place. The linking of the place where the cause of action arises and where the subordinate office of the Corporation is situated, is clearly reflective of the intention of the legislature and such place has to be the place of filing of the Suit, which is not necessarily the principal place of business.

Ordinarily the domicile of a Company is fixed in accordance with the situs of business activity and in case of the Companies which are registered under the Companies Act, the Company exercises its control from the place where its registered office is, and for all practical

purposes, it may become its principal place of business.

However, the Company may also have its branch offices in different jurisdiction and in the wake of explanation appended to Section 20, the linking of these places with the cause of action shall also be brought within the loophole of the situs of institution of the Suit.

In *New Moga Transport Co., Through its Proprietor vs. United India Insurance Co. Ltd.*, 2004 (4) SCC 677, the effect of the explanation appended to Section 20 of the Code is explicitly worded to the following effect :-

“10. On a plain reading of the Explanation to Section 20 Code of Civil Procedure it is clear that the Explanation consists of two parts : (i) before the word “or” appearing between the words “office in India” and the words “in respect of”, and (ii) the other thereafter. The Explanation applies to a Defendant which is a corporation, which term would include even a company. The first part of the Explanation applies only to such corporation which has its sole or principal office at a particular place. In that event, the court within whose jurisdiction the sole or principal office of the company is situate will also have jurisdiction inasmuch as even if the Defendant may not actually be carrying on business at that place, it will be deemed to carry on business at the place because of the fiction created by the Explanation. The latter part of the Explanation takes care of a case where the Defendant does not have a sole office but has a principal office at one place and has also a subordinate office at another place. The expression “at such place” appearing in the Explanation and the word “or” which is disjunctive clearly suggest that if the case falls within the latter part of the Explanation it is not the court within whose jurisdiction the principal office of the Defendant is situate but the court within whose jurisdiction it has a subordinate office which alone has the jurisdiction in respect of any cause of action arising at any place where it has also a subordinate office.”

10] In *Indian Performing Rights Society Ltd. vs. Sanjay Dalia & Ors.* (2015) 10 SCC 161, on which Mr. Kirpekar has placed reliance, in fact has struck the balance between Section 20 of the Code and Section 62 of the Copyright Act, which is a provision akin to Section 134 of the Trade Marks Act, 1999.

The question which fell for consideration before their Lordships

of the Apex Court, was to the interpretation of Section 62 of the Copyright Act, 1957 and Section 134(2) of the Trade Marks Act, 1999, with regard to the place where the Suit can be instituted by the Plaintiff.

The Plaintiff/Appellant, filed a Suit seeking relief against Defendant No.1 so as to prevent infringement of its rights, without obtaining the license. The Defendant owned Cinema Halls in Mumbai, Maharashtra, where infringement is alleged and the entire cause of action as alleged in Plaint arose in Mumbai, Maharashtra.

The Civil Suit was filed in the High of Delhi by virtue of the fact that the branch office of the Plaintiff is situated at Delhi and the Plaintiff is carrying on business at Delhi, though its head office is situated at Mumbai.

The objection was raised by the Defendant with regard to the territorial jurisdiction of the Court at Delhi and the Single Bench and Division Bench of the High Court upheld the objection and held that the Suit should have been filed, in the facts of the case, in the court at Mumbai.

To the above question, the following observations offered a solution :-

“18. In our opinion, in a case where cause of action has arisen at a place where the Plaintiff is residing or where there are more than one such persons, any of them actually or voluntarily resides or carries on business or personally works for gain would oust the jurisdiction of other place where the cause of action has not arisen though at such a place, by virtue of having subordinate office, the Plaintiff instituting a suit or other proceedings might be carrying on business or personally works for gain.

19. At the same time, the provisions of Section 62 of the Copyright Act and Section 134 of the Trade Marks Act have removed the embargo of suing at place of accrual of cause of action wholly or in part, with regard to a place where the Plaintiff or any of them ordinarily resides, carries on business or personally works for gain. We agree to the aforesaid extent

the impediment imposed Under Section 20 of the Code of Civil Procedure to a Plaintiff to institute a suit in a court where the Defendant resides or carries on business or where the cause of action wholly or in part arises, has been removed. But the right is subject to the rider in case Plaintiff resides or has its principal place of business/carries on business or personally works for gain at a place where cause of action has also arisen, suit should be filed at that place not at other places where Plaintiff is having branch offices etc.

20. There is no doubt about it that the words used in Section 62 of the Copyright Act and Section 134 of the Trade Marks Act, 'notwithstanding anything contained in Code of Civil Procedure or any other law for the time being in force', emphasise that the requirement of Section 20 of the Code of Civil Procedure would not have to be complied with by the Plaintiff if he resides or carries on business in the local limits of the court where he has filed the suit but, in our view, at the same time, as the provision providing for an additional forum, cannot be interpreted in the manner that it has authorised the Plaintiff to institute a suit at a different place other than the place where he is ordinarily residing or having principal office and incidentally where the cause of action wholly or in part has also arisen. The impugned judgments, in our considered view, do not take away the additional forum and fundamental basis of conferring the right and advantage to the authors of the Copyright Act and the Trade Marks Act provided under the aforesaid provisions."

11] Mr. Kirpekar has also drawn my attention to the decision in the case of Managraph India Ltd. (*supra*) which made a reference to the decision in case of Sanjay Dalia and Gautam Patel, J, who noticed the paramateria provisions, Section 134 of Trade Marks Act, 1999 and Section 62 of the Copyright Act, 19575, extensively reproduced the observations in Sanjay Dalia's case and held as below :

"31. In my view, all that the Supreme Court did in Sanjay Dalia was to deal with the patent mischief that was placed before it : plaintiffs filing suits in remote locations only because they happened to have branch offices there, although the defendants were to be found in another location and the plaintiffs themselves had their own offices in those other locations and the entire cause of action had also arisen in those other locations."

After summerising the position emerging from Sanjay Dalia, Justice Patel, has drawn four summations which deserve

reproduction :-

“a] The Plaintiff suing under the Trade marks Act or Copyright Act can always file a Suit in the jurisdiction where he lives, works for gain or carries on business. In the context of a Company given the view in Sanjay Dalia, it would mean where the Company has its principal or registered office. All issues of cause of action and situs or location of the Defendant or the cause of action are inconsequential and it makes no difference where the cause of action arose.

b] Where the Plaintiff has only one office it presents no difficulty, but where the Plaintiff has multiple offices, he has a limited choice. He may either, bring a Suit within the jurisdiction where he resides or he may invoke Section 20 and file a Suit where the Defendant resides or works for gain or where the cause of action arose, wholly or in part. The fact that the Plaintiff has the choice of bringing the Suit under Section 20 do not mean that his rights under Section 134(2) of the or Section 62(2) are in any way eroded, curtailed or restricted.

c] Where the Plaintiff chooses not to file a Suit at his or its principal business or where his registered office is located and he chooses not to file a Suit in a jurisdiction covered by Section 20, but attempt to file a Suit at some other location, where it has its subsidiary, where there is absolutely nothing i.e. (neither cause of action nor situs of the defendant), Plaintiff cannot invoke Section 134(2) to draft the Defendant to that distant location. That following decision of the Supreme Court in Sanjay Dalia, the abuse is required to be prevented.

d] Section 134(2) and Section 62(2) attaches privilege to the registered office or the principal place of work, but it is a privilege not to be used by abandoning the registered office situs, abandoning the Section 20 situs option and travelling to some remote location where neither the Defendant is situated nor the cause of action has arisen and it is this mischief which is addressed in Sanjay Dalia.”

12] A careful reading of *Sanjay Dalia* and the instructive decision by Gautam Patel, J, in *Manugraph* (supra) has offered enough clarification and I am not persuaded by Mr. Kirpekar’s submission that the susceptible misuse by creation of additional forum must be adverted to by me, specifically in the facts of the case.

Before me is the Plaintiff, who has its registered office in Goa , but its principal place of business is Mumbai and this is evidently clear from Para 67 of the Plaint, as the entire business activity of the plaintiff is carried out from Mumbai, whereas, the Defendant is situated in Bihar.

Mr. Kirpekar is wrongfully assuming that only one scenario exist in the company law i.e. the registered office of the Company must necessarily be the principal place of its business and this misconception must be cleared.

The principal place of business need not be equated, every time with registered office, as the principal place of business of the company is the place wherefrom the company controls its business activities i.e. where the center of power of corporate body is located. It is quite possible that principal place of business is also its registered office, but it may not be true in every scenario.

The principal place of business at times may not be the registered place of business, as the principal place may be distinct from

its registered place as the former is the place from where the entire company business is controlled.

13] On this misconception being removed, I do not think that there is any reason for addressing the grievance by Mr. Kirpekar. Admittedly, since the Plaintiff has Mumbai as its place of business, the Application filed by the Defendant is without merit and is dismissed.

[BHARATI DANGRE, J]