

# TERRITORIAL JURISDICTION OF CPC AND TRADEMARK ACT

By: Bhumika Kukreja

## INTRODUCTION

In simple terms; jurisdiction is the competence of a court to hear a particular matter vested upon it. There is a chronology of courts, which is based on the power they hold, most to least powerful. Likewise, the courts are also segregated on the basis of matters they deal with we have different courts for both civil and criminal matters. The code of civil procedures, 1908 is considered as the fundamental law which lays down the provisions for governing the procedure to be followed and jurisdictional powers civil courts have. <sup>1</sup> All the courts must abide by these provisions unless there is a special statute specifically provides some other thing.

Section 20 of the Civil Procedure Code regulates the choice of the forum under the general procedures. It is a residuary provision which covers all those cases which are not covered by section 16-19 Of the code. The purpose of this section is to ensure that no inconvenience is caused to the defendant in defending his case. <sup>2</sup> On the contrary, the amended Trademark Act 1999 lays down provisions for the jurisdiction of the civil courts to hear the particular matter and determine the infringement.

This research article aims at laying down the differences in the statutory interpretation of the provisions on jurisdiction under the Trademark Act and the Civil Procedure Code. It also sheds light on how the decisions of the courts are determined on various Intellectual property disputes which usually arise out of virtual commercial transactions.

## EARLIER POSITION OF JURISDICTION

The Civil Procedure Code was the primary act, under the provisions of which the earlier position litigation was covered. As, Section 20 of the code precisely shares the notions about

---

<sup>1</sup> Issac, Jithin Saji, "Redefining the jurisdiction clause under copyright and trade mark laws in India." Journal of Intellectual Property Law & Practice 2015.

<sup>2</sup> Manupatra, Paridhi Jain, "Territorial jurisdiction in intellectual property disputes".

the territorial jurisdiction of the defendant's residence and therefore only under that particular territory the judicial proceedings will flow. It focused on either the place of business, or the defendant's residential area or the place of business, the jurisdiction lied in these areas only. Later, the judicial system came up with an organization known as Indian Patent Office which was administered by the Controller General of Patents, Designs and Trademarks. In order to reduce the fraudulent behavior in the companies the Trademarks Act 1999 was initiated.

## LEGISLATIVE BACKGROUND

### Section 20 of the Civil Procedure Code, 1908

Section 20 of the Civil Procedure Code, 1908 has 3 clauses which are independent of each other. The word "or" in section 20 of the Civil Procedure Code shows that clauses a) and b) are read disjunctively with clause c). While clauses a) and b) allow the plaintiff to file a suit at a place where the defendant actually and voluntarily resides/carries on business/works for personal gain, clause c) allows the plaintiff to file a suit at a place where the cause of action arises in part/wholly.<sup>3</sup>

This section could be further providing that a corporation is deemed to be carrying on its business as a sole or the principal office that is located in India. However, it is imperative to note that if the cause of action arises at a place where the corporation has a subordinate office, it can't be claimed that the corporation cannot be sued at such place because it does not carry on its business at such place.<sup>4</sup> The reason behind such precedent is that if the plaintiff is not allowed to sue at a place where the cause of action arise, the corporation has a subordinate office this violates the doctrine of non-forum conveniens.<sup>5</sup>

### Section 134 of the Trademark Act, 1999

Section 105 of the Trade and Merchandise Act, 1958, in conformity with the Code of Civil Procedure provided for the plaintiff to file a suit for infringement as well as a suit for passing off in the District Court at the place where the defendant carried on his/her business.<sup>6</sup>

---

<sup>3</sup> Ibid

<sup>4</sup> Indian Performing Rights Society Ltd. v. Sanjay Dalia, MANU/SC/0716/2015.

<sup>5</sup> Dashrath Rupsingh Rathod v. State of Maharashtra, MANU/SC/0655/2014.

<sup>6</sup> The Trade and Merchandise Act, 1958, S. 105.

However, the advent of the Trade Marks Act, 1999 repealed the Trade and Merchandise Act, 1958.<sup>7</sup>

Section 134(2) of the Trade Marks Act, 1999, beginning with a non-obstante clause i.e., “notwithstanding anything contained in the Civil Procedure Code” provides for the jurisdiction of a District court at a place where the plaintiff actually and voluntarily resides/carries on business/works for personal gain at the time of instituting the suit proceeding<sup>8</sup> the further explanation of this section states that a person under this is a registered proprietor as well as a registered user<sup>9</sup>

### SCOPE OF “CARRYING ON BUSINESS”

This particular term has a very wide scope, earlier when the suit used to get filed the jurisdiction of the court would lie where the business is done by the defendant. However, with the help of various judicial pronouncements the provision has been amended and now it lies on the plaintiff.

The term carrying of business basically defines the place where the business of the infringed trademark company gains its profits and manages its affairs. There are certain rulings by the honorable court which demarcate the access of the territorial jurisdiction and justify the laws with respect to the plaintiff's necessity<sup>10</sup> as described in the case of Ultra Home Construction Pvt. Ltd. v. Purushottam Kumar Chaubey & Ors.<sup>11</sup> and Burger King Corporation v. Techchand Shewakramani.<sup>12</sup>

### CAUSE OF ACTION

Primarily it is the legal right given to the plaintiff to sue. It is a substantive legal right, to the extent that there are recognized categories of cause of action. In simple terms as explained in the case of Kusum Ingtos & Alloys Ltd. v. Union of India the honorable supreme court of India interpreted the term as each fact which seems necessary for the claimant to prove, if transverse, in order to support his right to the judgement of the court.

---

<sup>7</sup> Mulla, Dinshaw Fardunji. The Code of Civil Procedure. 19<sup>th</sup> ed., vol. 1, Lexis Nexis, 2021.

<sup>8</sup> The Trade Marks Act, 1999, S. 134(2).

<sup>9</sup> Ibid

<sup>10</sup> IRALR, Gayatri Sharma, “Jurisdiction in trademark litigation”.

<sup>11</sup> Ultra Home Construction Pvt.Ltd v. Purushottam Kumar Chaubey & Ors. FAO (OS) 494/2015.

<sup>12</sup> Burger King Corporation v. Techchand Shewakramani 2015.

In other words, if the facts satisfy either the basis of interim relief or the elements of substantive law in both these scenarios you have a legal right to sue the opponent seeking remedy.<sup>13</sup>

## JUDICIAL PRONOUNCEMENTS

Various judicial pronouncements across the nation have helped us in getting a clarity with respect to the jurisdiction. In *Indian Performing Rights Society Ltd. v. Sanjay Dalia and Anr.* The honorable supreme court has answered the question on jurisdiction by laying emphasis on the legislative intention behind the rationale embodied under section 62 of the Copyright Act, 1957 and section 134 of Trade Marks Act 1999 to provide an additional forum to section 20 of CPC and allow the plaintiff to register a suit within local limits of the courts, wherein the body incorporate either has its principle registered office or branch ancillary office.

The honorable supreme court in *Patel Roadways Ltd. v. Prasad Trading Co.*<sup>14</sup> and *New Mega Transport Co. v. United India Insurance Co. Ltd.*<sup>15</sup> has stated that the sole purpose behind adding explanation to section 20 of the civil procedure code was to explain the significance of word ‘or’ which means that a place of incidence irrespective of it being the place where the business took place, that is going to be an appropriate office forum for the plaintiff to initiate a suit. The words “and” instead of “or” changes the meaning of the provision it covers all place of business, place where action took place, place of sub ordinate office.

## CONCLUSION

Section 134 of the Trademark Act and Section 62 of the Copyright Act are the additional legislative provisions to Section 20 of the Civil Procedure Code under which the plaintiff can file a complaint and initiate proceedings against violations of IP rights. However, in order to institute proceedings under these IP Acts a registered copyright or trademark is needed and in cases of passing off only the jurisdiction under CPC is applied. By virtue of *Indian Performing Rights Society Ltd. v. Sanjay Dalia*, the plaintiff’s right to sue under the IP Acts has been restricted to those places of residence or business where there is an overlap with the

---

<sup>13</sup> Mondaq, Vijay Pal Dalmia, “Cause of action and determination of jurisdiction in Intellectual Rights cases in India”.

<sup>14</sup> *Patel Roadways Ltd. v. Prasad Trading Co.*, MANU/SC/0280/1992.

<sup>15</sup> *New Mega Transport Co. v. United India Insurance Co. Ltd.*, MANU/SC/0398/2004.

cause of action. On the contrary the cause of action has an ipso facto jurisdiction under the civil procedure code to courts where the incident took place.<sup>16</sup>

Various judicial pronouncements have greatly impacted the jurisdiction in cases of intellectual property. In HT Media v. Brainlink International<sup>17</sup> wherein the extra-territorial jurisdiction to injunct the infringing activities of a defendant located in New York is dealt. The above research clearly shows that section 20 of the Civil Procedures Code has a broader scope than other IP Acts. It could be said that in cases of violations on internet the jurisdiction on the basis of cause of action can be invoked by the right holders easily in comparison to the ground of carrying business under CPC.

---

<sup>16</sup> SCC Online, Aniket Aggarwal, "Deciphering Territorial Jurisdiction in Online IP Infringement".

<sup>17</sup> HT Media v. Brainlink International, 2020 SCC Online Del 1703.