

PROBABLY THE MOST SPECIAL BENCH...

Ashwin Julka remarks on a boost to IP jurisprudence in India

For the first time, a special bench of five judges of the High Court of Delhi was recently constituted, to consider an IP suit. It was called on in the case of Carlsberg Breweries A/S v Som Distilleries & Breweries Ltd¹ to adjudicate on a seminal question of law (the maintainability of a composite suit in relation to infringement of a registered design and for passing off).

The matter began when Carlsberg, through Remfry & Sagar, instituted a suit against Som Distilleries that combined two separate causes of action – infringement of its registered design and passing off (of its trade dress) in respect of Carlsberg’s beer bottle and the overall get up of the CARLSBERG mark. Som Distilleries, the Defendant, objected to the filing of a single suit. It placed reliance on a decision issued by a three-judge bench of the Delhi High Court in *Mohan Lal v Sona Paint*² where it was held that: “As the cause of action for a suit for infringement of a registered design is different from the cause of action on which a claim of passing off is premised, two separate suits have to be filed though, if filed at the same time, or in close proximity, they may

be tried together as there may be some aspects which may be common.” The judgment in the case of *Mohan Lal* was, in turn, premised on the case of *Dabur India v RK Industries*,³ in which the Supreme Court held that two different causes of action cannot be combined in one single suit when the court lacks jurisdiction to entertain any one of the causes of action.

Remfry & Sagar contended that the decision rendered in *Mohan Lal* was *per incuriam*. To begin with, referring to *Dabur India*, we pointed out that, under the Indian Code of Civil Procedure (CPC), a plaintiff can sue a defendant at the place where the cause of action arises or where the defendant resides and/or carries on business. However, both the Indian trade marks statute and the Indian copyright statute provide plaintiffs with the benefit of an additional forum. That is, they also permit filing a suit for trade mark and/or copyright infringement at the place where the plaintiff resides or carries on business.

Dabur India addressed a situation in which a plaintiff taking advantage of such an additional forum filed not only a suit for infringement, but also a second cause of action – that of passing off – in the same suit. Now, if the court before which the said





suit was filed had territorial jurisdiction only to try the first cause of action, and not the second (governed as it was by the CPC), under the Supreme Court ruling, both causes of action could not be clubbed into one suit. This would amount to conferring jurisdiction on the court where it had none.

DISASTROUS DICHOTOMY

It was further put forward by Remfry & Sagar that such a dichotomy in jurisdiction was not possible in the case of suits involving design violations, since, under the Indian designs statute, no additional forum is provided to a plaintiff. Just as in the case of passing off, a suit for design infringement could only be initiated where the cause of action arose or the defendant resided/carried on business. In light of this, the Dabur India ruling did not fit the facts of the present case.

Extensive arguments were also addressed to assert that the decision rendered in Mohan Lal required reconsideration in light of Order II Rule 3 of the CPC. This provision explicitly permits a plaintiff to unite in the same suit several causes of action against the same defendant(s). Further, Order II Rule 6 of the CPC allows the court a remedy if it appears to the court that such joinder of causes of action may delay the trial or is otherwise inconvenient. The court can order separate trials of the claims, confine the action to some causes of action and exclude the others or order the plaintiff to elect which cause of action will be proceeded with.

Based on the aforesaid, Remfry & Sagar argued that a composite suit involving two causes of action was maintainable, subject to the court being vested with jurisdiction to entertain both causes. It also argued that under no circumstances could the court reject and/or dismiss such a composite suit or order two separate suits to be filed.

The single judge analysed the submissions made, felt the decision issued in Mohan Lal required a second look and referred the matter to the Chief Justice of the High Court of Delhi, who then constituted a five-judge bench to decide the issue. This special bench held that the basic

facts that impel a plaintiff to approach a court of law complaining of design infringement are the same facts that would impel a case of passing off. Thus, in such circumstances, it is inconceivable that a cause of action be split in some manner and presented in the form of two separate suits.

COMMON CAUSE

The bench reasoned that, as action related to infringement of design and passing off would arise from the “same transaction of sale”, common questions of law and fact would be presented, and thus joinder of causes of action “ought” to be done. Thus, the bench overruled the Mohan Lal decision to hold that a composite suit that joins two causes of action – one for infringement of a registered design and the other for passing off – is maintainable. It also made clear that “there is no per se or threshold bar to maintainability of suits, on the perceived grounds of misjoinder of causes of action”.

This landmark judgment, delivered on 14th December 2018, has enormous precedential value in terms of both law and procedure. It has been held that, because common questions of law and fact exist between the two causes of action of infringement of a registered design and passing off, the evidentiary requirements of both causes will be common – thus, joinder of both the causes of action against the same defendant in one single composite suit is permitted.

Insofar as procedure is concerned, the requirement to file separate suits would no longer apply, and a composite suit can be filed. Multiplicity of proceedings, in the opinion of the bench, would only result in a waste of time, money and energy for parties, as well as for the courts. In contrast, a composite suit would enjoy the advantage of a “bird’s eye” view. ●

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1. CS (COMM) 690 of 2018
2. 2013 (55) PTC 61 (Del) (Full Bench)
3. 2008 (10) SCC 595



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