

News

If the cause of action originated abroad, the company cannot assert jurisdiction based on headquarters: Delhi High Court

In 2022, Kohinoor Seed, a Delhi-based Indian seed company, petitioned the High Court for a permanent injunction against Veda Seed for allegedly violating its registered trademarks.



On the grounds that no portion of the cause of action originated in Delhi, the Delhi High Court recently dismissed a trademark infringement lawsuit brought by Kohinoor Seed Fields India Pvt Ltd against Veda Seed Sciences Pvt Ltd. (**Veda Seed Sciences versus Kohinoor Seed Fields**)

Since the cause of action—the claimed trademark infringement—occurred abroad and Kohinoor Seed has offices in those jurisdictions as well, **Justice Amit Bansal** ruled that the firm cannot continue the litigation in Delhi just because its head office is in the capital.

"The plaintiff cannot claim jurisdiction only on the basis of the location of its head office in Delhi, when it has subordinate office(s) at place(s) where the cause of action has arisen," the Supreme Court said.

A permanent injunction against Veda Seed was sought by Kohinoor Seed, an Indian seed company with its registered office in Delhi, in November 2022 for allegedly violating its registered trademarks, TADAAKHA, SADANAND, and BASANT, by marketing BT cotton hybrids under confusingly similar names, such as VEDA TADAAKHA GOLD, VEDA SADANAND GOLD, and VEDA BASANT GOLD.

A marketing agreement dated January 1, 2022, most recently formalized the two companies' co-marketing partnership, which dates back to 2014.

After claiming that Veda Seed was abusing its trademarks to market unapproved goods in advance of the 2023 Kharif season, Kohinoor ended this partnership in late 2022.

On the basis of territory, Veda Seed, an agro-input company situated in Guntur, contested the suit's maintainability. **Senior Advocate Raj Shekhar Rao**, who appeared on behalf of Veda, argued that Kohinoor had purposefully concealed important information, such as the fact that it maintained branch offices in Andhra Pradesh and Telangana that were actively used for seed distribution, licensing, and billing.

Furthermore, it was said that Veda Seed did not sell any seeds in Delhi, it lacked a license to do so, and third-party dealers, not Veda Seed, were responsible for the allegedly infringing postings on e-commerce sites such as IndiaMart.

The Court concurred, pointing out that there was no pleading or proof that the defendant was pursuing Delhi customers or operating there.

The Court noted, citing screenshots provided by Kohinoor that indicated third-party vendors in Karnataka and Andhra Pradesh, that *"the defendant cannot be held responsible for the same,*

even if the defendant's products are shown as available on India Mart and Kalgudi."

Kohinoor's argument that the Delhi head office was adequate to grant jurisdiction under Section 134(2) of the Trade Marks Act, 1999 was rejected by the court.

Rather, it cited the Delhi High Court's historic *Ultra Home Construction* decision as well as the Supreme Court's decision in *Indian Performing Rights Society v. Sanjay Dalia*.

The Court stated in both decisions that although plaintiffs may file a lawsuit in the country in which they conduct business, they cannot avoid the proper forum if they also keep offices in the location where the cause of action originated.

Additionally, it made clear that Kohinoor's brief mention of the Delhi-executed marketing agreement was insufficient to establish jurisdiction, especially as the lawsuit was only filed for trademark infringement and not for breach of contract.

The Court ruled that "*it is abundantly clear from a holistic reading of the plaint that the present suit is not premised on any cause of action based on the marketing agreement or the breach.*"

The court came to the conclusion that the Delhi High Court lacked jurisdiction to consider the claim because Kohinoor had not demonstrated that any portion of the cause of action had occurred within the territorial jurisdiction of this Court.

The business was requested to file a motion with the proper court.

Advocates Saurav Agrawal, Adarsh Ramanujan, Shantanu Agrawal, Manas Arora, Ajay Sharma, Raghav Thareja, Shivam Chaudhary, Surabhi Mahajan, Kapil Rustagi, Chandreyee Maitra, Asmita Srivastav, Allaka M, and Parth Singh represented Kohinoor.

Advocates Kapil Wadhwa, Sindoor VNL, Vishakha Gupta, Twinkle Rathi, Thithiksha Padman, and Anish Jandial briefed **Senior Advocate Raj Shekhar Rao**, who represented Veda.