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E-mail: blindfoldjournal@gmail.com

Website: www.blindfoldjournal.com

“Scope of Authority & Jurisdiction of Commercial Courts”

-Author: Proful Jain

The introduction of the Commercial Courts Act in 2015 was a governmental initiative aimed at reducing the backlog of Commercial Disputes, which were previously addressed as regular suits. This measure not only instilled confidence in both domestic and foreign investors in the Indian markets but also paved the way for a more efficient resolution of such disputes.

Effective from October 23, 2015, Section 2(b) of the Commercial Courts Act defines the scope of a Commercial Court as outlined in Section 3(1) of the same act. This provision empowers the government, in consultation with the High Court, to establish commercial courts at the District level. These courts have jurisdiction over Commercial Disputes valued at less than 3 lakhs but not exceeding 1 crore.

Commercial Disputes, as defined in Section 2(c) of the Commercial Courts Act, encompass a wide range of scenarios, including disputes related to contracts, product quality, unfair trade practices, and intellectual property rights, among others.

The Act addresses various aspects of commercial transactions, including disputes arising from routine dealings among merchants, bankers, financiers, and traders. This includes matters involving the export and import of goods and services, as well as issues related to admiralty, marine law, and various transactions involving aircraft and related equipment.

Furthermore, the Act covers disputes concerning tenders, contracts related to building and infrastructure, as well as agreements pertaining to the use of immovable property in trade, franchising, distribution, licensing, management, joint ventures, and shareholder agreements, among others.

The Act also encompasses disputes concerning technological advancements, intellectual property rights, the sale of products or provision of services, the exploitation of natural resources, and insurance or reinsurance matters. Additionally, it addresses agency contracts and other business conflicts that have been brought to the attention of the Central Government.

Regarding jurisdiction, Section 6 of the Act dictates that Commercial Courts have authority over all commercial disputes arising within the territorial boundaries of the state. This jurisdiction is subject to the provisions outlined in Sections 16, 17, 18, 19, and 20 of the Code of Civil Procedure 1908.

The Act further outlines the jurisdiction of the Commercial Division of High Courts in Section 7. Notably, a detailed examination of Commercial Court jurisdiction was conducted in the case of Daimler Financial Services India Pvt. Limited Vs. Vikash Kumar and Ors. in 2020.

The Commercial Courts Act of 2015 stands as a pivotal measure in the Indian legal landscape, designed to streamline the adjudication of commercial disputes. Its implementation has not only ameliorated the backlog of such cases but has also fostered a climate of confidence for both domestic and international investors in the Indian markets. The Act, supplemented by subsequent amendments, ensures a more efficient and tailored approach to resolving intricate commercial matters, ultimately contributing to a more robust and reliable business environment.

In the realm of Commercial Courts, a diverse array of disputes finds resolution, spanning from routine merchant transactions to complex issues surrounding intellectual property rights. It extends its jurisdiction to cover matters ranging from maritime law to technological advancements, reflecting the broad spectrum of commerce in the modern world.

In tandem with the Commercial Courts Act, the role of High Courts in overseeing commercial matters through specialized divisions has further fortified the adjudicative framework. Noteworthy cases, such as the Daimler Financial Services India Pvt. Limited Vs. Vikash Kumar and Ors. in 2020, serve as vital milestones in the evolving landscape of commercial jurisdiction.

In practical terms, the Act's amendments, particularly those pertaining to pecuniary jurisdiction, have empowered businesses and stakeholders, ensuring a fair and equitable legal recourse. This legal framework has, in turn, bolstered the confidence of businesses, both small and large, in engaging with Indian markets.

As the Act continues to evolve and adapt to the changing dynamics of commerce, it reaffirms its significance in fortifying India's position as a reliable and conducive environment for business. The continued diligence and refinement in the administration of commercial justice will undoubtedly contribute to the sustained growth and prosperity of the Indian economy in the years ahead.

