

Madras High Court

Tube Investments Of India Ltd vs Bsa-Regal Group Ltd on 23 December, 2009

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATE: 23-12-2009

CORAM:

THE HONOURABLE MRS. JUSTICE PRABHA SRIDEVAN
AND
THE HONOURABLE MR. JUSTICE M.SATHYANARAYANAN

O.S.A.Nos.233, 234 and 292 of 2009
and
M.P.Nos.1,2 and 1 of 2009

Tube Investments of India Ltd.,
represented by its Vice President Legal &
Company Secretary Mr. S. Suresh
'Dare House'
234, NSC Bose Road
Chennai 600 001

... Appellant
in O.S.A.Nos.233 and 234/09
... Respondent
in O.S.A.No.292/09

Vs.

BSA-Regal Group Ltd.,
Speedwell House,
West Quay Road
Southampton, SO 151 GY
England

... Respondent
in O.S.A.Nos.233 and 234/09
... Appellant
in O.S.A.No.292/09

Original Side Appeal No.292 of 2009 against the decree and judgment dated 14-07-2009 made in

Original Side Appeal Nos.233 and 234 of 2009 against the order dated 14-09-2009 made in

For appellant :: Mr. A.L. Somayaji, Senior Counsel
in OSA233&234/09 and
for respondents in OSA292/09

For respondent :: Mr. AD.S. Kasthuri Rangan
in OSA233 & 234/09
for appellants in OSA292/09

JUDGMENT

(PRABHA SRIDEVAN,J.) The plaintiff is the appellant herein. The plaintiff's application for injunction against registration of trademark and against passing off were dismissed and the defendant's application for rejection of suit on the ground of jurisdiction were heard together and all the three were dismissed. Therefore, we have two appeals by the plaintiff and one appeal by the defendant. We will refer to them as plaintiff and defendant.

2. The trademark BSA, BSA (device) with Piled Arms Device either separately or collectively is the property that is sought to be protected. According to the plaintiff, they are the proprietor of the trademark BSA under Clause 12 and these trademarks were assigned in their favour by BSA Cycles Limited, England by a Deed of Assignment dated 31-08-1981 and since then the plaintiff has been the registered owner of the trademark for goods viz., vehicles, apparatus for locomotion by land, air or sea, cycles, motor-cycles and side cars, fore cars and trailing cars. When one Derby International Corporation issued a notice to the plaintiff for reassigning the mark, the suit was filed and parties to the suit arrived at a compromise and a decree was passed on 26-04-1995 regarding the terms of the compromise. The plaintiff has given details of the sales figures of BSA Cycles from 2000 till March 2008. According to the plaintiff, by long, continuous and extensive use, the trademark BSA has been identified by the trade and public with the plaintiff's product and the plaintiff's products were acquired great reputation and goodwill for their superior quality. Since motorised cycles are a natural extension of bicycles which is the plaintiff's business in or about September 2008 they expanded their activities into motorised vehicles and launched its scooters/ motorcycles with the same trademark. This was a big success.

3. On 14-11-2008, the Managing Director of the defendant sent a letter informing the plaintiff that, what was assigned to the plaintiff was restricted to bicycles and the defendant is about to conclude a trade arrangement with a foreign manufacturer. The defendant had filed an application for registration of trademark. The plaintiff sent a reply asserting that they have absolute rights for the trademark BSA and there has never been a restriction or protest to the use of the said trademark for all goods under Clause 12. Again the defendant sent a letter on 22-12-2008 stating that the plaintiff would not have been given any rights over the trademark BSA with regard to motorised cycles fearing that the defendant may in time enter into the Indian market, the plaintiff filed the suit and asked for injunction both against passing off and against registration of trademark. In the counter filed to the applications, the objection regarding jurisdiction was taken and that a mere letter written by the defendant cannot give jurisdiction to this Court. According to the defendant, in May 1957, the Birmingham Small Arms Company Ltd., then the world's largest motorcycle make, sold its interest to Raleigh Industries Ltd, and the agreement governing the sale dated 23-05-1957 delineated the conditions for the use of the various trademarks, and BSA Cycles never had the right to use the trademark in respect of motorcycles. All that it had was the right to use the trademark for pedal cycles, bicycles and carts and therefore, the assignor could not have transferred the rights which it did not have to the plaintiff by the Deed of Assignment. The defendant had made an

application to register the trademark BSA for power-vehicles in India and though it was pending for 22 years was abandoned in August 2003. Thereafter, a fresh application was made on 27-08-2008. When the defendant came to know about the plaintiff's intention to launch motorvehicles with the trademark BSA, the defendant wrote a letter on 14-11-2008. According to the defendant, in fact they should have brought an action to restrain the applicant and without responding to the request for an amicable solution only with a view to force-up the defendant by filing a suit, this suit has been filed. According to the respondent, neither prima facie case nor the balance of convenience is in favour of the plaintiff. A separate application was filed for rejecting the plaint on the ground of jurisdiction and this was resisted by the plaintiff on the ground that by virtue of Section 134(2) of the Trade Marks Act 1999, the plaintiff has the right to institute the suit before the Court upon whose jurisdiction they carry on business. The learned Single Judge as stated earlier has dismissed both the applications.

4. Mr. A.L. Somayaji, learned Senior Counsel appearing for the plaintiff/applicant submitted that the defendant/respondent had not commenced business; he has yet to commence business in India; he has not established his business; he does not have a transborder reputation but it is not necessary for a sale to take place in India before a suit is filed. The plaintiff can initiate a quia timet action apprehending injury. There are no materials to show how the respondent is entitled to any rights in the trade mark and even assuming that there is defect in the registration in favour of the plaintiff, until that is cancelled in the manner known to law, there can be no infringement of the registered trademark. The notice sent by the respondent was not an innocuous notice. It is really a cease and desist notice in which case the plaintiff was entitled to move the Court to protect their rights. Even assuming without admitting that the plaintiff had not established their right to the trademark, it cannot be denied that atleast from 1981, the plaintiff had been marketing cycles with the trademark and had built reputation and goodwill and therefore, the respondent cannot now enter the market and pass off his goods. But the prayer relating to passing off was totally ignored by the learned Single Judge.

5. In response, Mr. Kasthuri Rangan, learned counsel appearing for the respondents submitted that the tenor of the letters would show that they were willing to arrive at a mutually acceptable co-existence or to even negotiate the terms under which the right to use the trademark for motorcycles could be dealt with. There was neither threat nor was it a cease and desist notice and therefore, a suit was maintainable in this Court when the conditions of Section 135 are not present. The learned counsel submitted that the question regarding the proprietorship of the trademark was never raised before the learned Single Judge. For the first time, it was raised here and even in the exchange of letters this question was not raised. The plaintiff, had tacitly admitted the right of the respondent to the trademark. In none of the decisions that were relied on behalf of the appellant was the contest between two parties who traced their rights to the same source. All the other cases were contest between strangers and therefore, those decisions cannot be applicable. According to the learned Counsel, the appellants' right to use the trademark is limited by the terms of the deed of assignment. When the deed of assignment had specified the goods to which the right assigned will be limited; the assignee cannot claim a larger right. So according to him , injunction was rightly refused.

6. With regard to the question of jurisdiction(O.S.A.No.292 of 2009), the learned Single Judge held that the letters sent by the appellant to the respondent had given rise to the cause of action for laying the suit. We have already extracted the words used in the letter and it refers to cessation. The learned counsel for the respondent submitted that it was really not a cease and desist notice and actually the letters would only indicate that the respondent was willing to come to some kind of an arrangement by which both the appellant and the respondent could co-exist. We do feel from the terminology used in the letter that it was really a cease and desist notice and therefore, by virtue of Section 134(2) of the Trade Marks Act the appellant is entitled in law to file the suit before the Court in whose jurisdiction the plaintiff carries on business. The learned Single Judge rightly held that while it is true, that mere letters will not confer jurisdiction to lay the suit, in this case, the two communications are really the cause of action for putting up the challenge before this Court. Therefore, the plaintiff was right in filing the suit within the jurisdiction of this Court. The learned Single Judge rightly referred to the provision found in the Trade Marks Act which is really an exception to the territorial jurisdiction as contemplated under the Letters Patent.

(i) In 2008 37 PTC 269(Mad.)(DB) (Wipro Limited & Anr. Vs. Oushadha Chandrika Ayurvedic India (P) Limited & Others) the Division Bench of this Court considered a similar question and the following paragraphs are relevant:

"14. It is, thus, seen that Section 62 of the Copyright Act and Section 134 of the Trade Marks Act prescribe an additional ground for attracting the jurisdiction of a Court over and above the normal ground, as laid down in Section 20 of the C.P.C. In other words, a special right is conferred on the proprietor of the registered trade mark to institute a suit for infringement of any trade mark or copyright in the district within whose jurisdiction he resides or carries on business. The provision contained in non-obstante clause by using the phrase "notwithstanding anything contained in the C.P.C, 1908 (5 of 1908) or any other law for the time being in force" is made with a view to give a overriding effect to the said provision. It is equivalent to saying that the provision would hold the field notwithstanding anything contained in the C.P.C or any other law for the time being force. Moreover, by virtue of Section 120 of the C.P.C, the provisions of Section 20 are not applicable as far as High Court is concerned. Therefore, the scope of this section cannot be curtailed by reference to Section 20 of the C.P.C or Clause-12 of the Letters Patent. Therefore, in a case of infringement of trade mark or copyright covered by Section 134(2) of the Trade Marks Act or Section 62(2) of the Copyright Act, the question of plaintiff taking prior leave under Clause 12 of the Letters Patent does not arise and the plaintiff need not take leave of the Court under Clause 12 of the Letters Patent even if only a part of the cause of action or no part of the cause of action arose within the jurisdiction of this Court, if the plaintiff ordinarily resides or carries on business within the jurisdiction of the Court.

15. In our opinion, the judgments relied on by the learned counsel for the defendants in Maya Appliances v. Pigeon Appliances, and Laxmi Soap Factory v. Wipro Ltd. [supra] are based on complete misconstruction of Clause-12 of the Letters Patent. It has been held in these cases that since the defendants are carrying out businesses outside the jurisdiction of this court, prior leave to sue under Clause-12 of the Letters Patent ought to have been obtained. Under Clause-12 of the Letters Patent a suit can be filed in the High Court in its Original Side if at the time of

commencement of an action, the defendant was carrying on business within its territorial limits. Similarly, when the cause of action has wholly or partly arisen within its territorial limits, the High Court has jurisdiction to try the suit notwithstanding the fact that the defendant does not carry on business within its territorial limits. In other words, the jurisdiction based on the cause of action and the jurisdiction based on the person of the defendant are two independent categories and they have no relation with each other. A plain reading of Clause-12 of the Letters Patent would show that it is only in cases where a part of the cause of action has arisen within the jurisdiction of this Court that Clause-12 requires a leave to be obtained. The present case is not covered by Clause-12 of the Letters Patent, but a case covered by Section 62(2) of the Copyright Act and Section 134(2) of the Trade Marks Act. Therefore, the suit is maintainable in this Court.

16. In our opinion, the legal position is correctly laid down in *Arvind Laboratories v. Hahemann Laboratory Pvt. Ltd.* 2007 (35) PTC 244, where a learned single Judge of this Court has held as follows:

23. The defendant has not disputed the fact that the plaintiff is carrying on business within the jurisdiction of this Court and that the plaintiff is the Proprietor of a registered trade mark, of which, infringement is complained of in the present suit. It is seen from Section 134 of the Trade Marks Act, 1999, that it contemplates three types of suits viz., (a) suit for infringement of a registered trade mark (b) suit relating to any right in a registered trade mark and (c) suit for passing off. In view of Sub-section (1) of Section 134, all the above three types of suits are to be instituted only in a Court not inferior to a District Court having jurisdiction to try the suit. Sub-section (2) of Section 134, defines the expression 'District Court having jurisdiction' found in Sub-section (1), to include a District Court within whose jurisdiction the plaintiff resides or carries on business at the time of institution of the suit, if the suit is in respect of a registered trade mark. Therefore, a special privilege is conferred upon the Proprietor of a registered trade mark to institute a suit for infringement or a suit relating to any right in a registered trade mark, in the District Court within whose jurisdiction, he resides or carries on business. This privilege is conferred by Section 134(2), with a non obstante Clause, by using the phrase 'notwithstanding anything contained in the Code of Civil Procedure, 1908 (5 of 1908) or any other law for the time being in force'. Since Section 134(2) declares that it would hold the field, notwithstanding anything contained in the CPC or any other law for the time being in force, the same cannot be annulled or rendered nugatory, by importing the requirements of Clause 12 of the Letters Patent into a case covered by Section 134(2) of the Trade Marks Act, 1999. The non obstante Clause automatically excludes the operation of the Letters Patent also, to a case covered by Section 134(2) of the Trade Marks Act, 1999. Therefore, in a case of infringement of a trade mark, covered by Section 134(2) of the Trade Marks Act, 1999, the question of the plaintiff taking prior leave of the Court, under Clause 12 of the Letters Patent, does not arise. In other words, in a suit for infringement covered by Section 134(2), a plaintiff need not take the leave of the Court under Clause 12 of the Letters Patent, even if only a part of the cause of action or no part of the cause of action, arose within the jurisdiction of this Court.

....

27. Moreover, the question of the plaintiff taking the prior leave of the Court under Clause 12 did not arise at all in this case, for one more reason. Admittedly, no part of the cause of action arose within the jurisdiction of this Court, in view of the averment in paragraph - 14 of the plaint that the plaintiff could not find the product of the defendant in the market. It is only in cases where a part of the cause of action arises within the jurisdiction of this Court, that Clause 12 requires a leave to be obtained. If no part of the cause of action arises within the jurisdiction of this Court or if the defendant does not reside or carry on business within the jurisdiction of this Court or if the land or immovable property in respect of which the suit is laid, is not situate within the jurisdiction of this Court, then this Court has no jurisdiction at all to try such a suit. In such cases, no leave can ever be obtained. In other words, one cannot take the leave of the Court under Clause 12, in respect of a suit, which does not fall under any of the four categories mentioned in the said Clause. The present suit is not one for land; it is not one in which the whole or any part of the cause of action arose within the jurisdiction of this Court; and it is not one in which the defendant resides or carries on business within the jurisdiction of this Court. Therefore, the contention that the plaintiff ought to have obtained leave under Clause 12 goes against the very tenor of Clause 12. This is not a case covered by Clause 12 of the Letters Patent, but a case covered by Section 134(2) of the Trade Marks Act, 1999 and hence, I hold that the suit is maintainable on the file of this Court. Therefore, the application under Order VII Rule 11 CPC, A.No. 3704 of 2006 is dismissed.

17. In the present case, when an objection to jurisdiction was raised by way of demurrer and not at the trial, the objection must proceed on the basis that the facts as pleaded by the initiator of the impugned proceedings are true. The submission in order to succeed must show that granted those facts the Court does not have jurisdiction as a matter of law. In rejecting a plaint on the ground of jurisdiction, the learned single Judge ought to have taken allegations contained in the plaint to be correct. "

In this case, there is no denial that the plaintiff carries on business within the jurisdiction of this court.

(ii) In 2004 (3) SCC 688, the Supreme Court held, "13. It is, therefore, clear that the object and reason for the introduction of Sub-section (2) of Section 62 was not to restrict the owners of the copyright to exercise their rights but to remove any impediment from their doing so. Section 62(2) cannot be read as limiting the jurisdiction of the District Court only to cases where the person instituting the suit or other proceeding, or where there are more than one such persons, any of them actually and voluntarily resides or carries on business or presently works for gain. It prescribes an additional ground for attracting the jurisdiction of a Court over and above the 'normal' grounds as laid down in Section 20 of the Code.

14. Even if the jurisdiction of the Court were restricted in the manner construed by the Division Bench, it is evident not only from the cause title but also from the body of the plaint that the appellant No. 2 carries on business within the jurisdiction of the Delhi High Court. The appellant No. 2 is certainly "a person instituting the suit". The Division Bench went beyond the express words of the statute and negated the jurisdiction of the Court because it found that the appellant No. 2 had not claimed ownership of the copyright of the trademark infringement of which was claimed in

the suit. The appellant No. 2 may not be entitled to the relief claimed in the suit but that is no reason for holding that it was not a person who had instituted the suit within the meaning of Section 62(2) of the Act.

15. Furthermore, the appellants' plaint said that the 'cease and desist' notice was sent to the appellant No. 2 at its office in New Delhi and in that notice it was alleged that the appellant No. 2 had infringed the copyright of the respondent No. 2 to the trademark 'Maloxine'. Now a cease and desist notice means that the recipient is alleged to have infringed the rights of the sender of the notice to the copyright and as a result of such alleged infringement the recipient is liable to institution of civil and/or criminal proceedings. It is a threat. The plaint says that this threat was received within the jurisdiction of the High Court a fact which was sufficient to invoke the jurisdiction of that Court. The respondents' reliance on the decision of this Court in *Oil and Natural Gas Commission v. Utpal Kumar Basu and Ors.* MANU/SC/0759/1994 : (1994)4SCC711 and *Union of India and Ors. v. Advani Exports Ltd. and Anr.* MANU/SC/0696/2001 : 2001(134)ELT596(SC) is inapposite. Those decisions held that the service of a mere notice may not be sufficient to found jurisdiction unless such notice formed an integral part of the cause of action. But a 'cease and desist' notice in a copyright action cannot, particularly in view of Section 60 of the Act, be termed to be a 'mere' notice. Such a threat may give rise to the right to institute a suit to counter such threat and to ask for relief on the ground that the alleged infringement to which the threat related was not in fact an infringement of any legal right of the person making such threat." In this case the two letters were received here , within the jurisdiction of this Court. So the appellant can rightly maintain the suit before this Court.

For all these reasons, we confirm the finding of the learned Single Judge that the suit was rightly filed before this Court.

7. As regards injunction (O.S.A.Nos.233 and 234 of 2009), the learned Single Judge had refused to grant injunction on the ground that the ownership to the registered trademark was in doubt and therefore, no injunction can be granted against the real owner. According to the learned Senior Counsel appearing for the appellant, the question of passing off was not considered by the learned Single Judge.

(i) On 31-08-1981, there was a Deed of Assignment by which BSA Cycles assigned to the plaintiff the following Trademarks:

Trade Marks Registration Number Class Description of Goods Piled Arms Device 109842 Vehicles, apparatus for locomotion by land, air or sea B.S.A.(Word) 109847 Vehicles, apparatus for locomotion by land, air or sea.

Piled Arms Device with Letters B.S.A.

100349 Cycles, motorcycles and side cars, fore cars and trailing cars Piled Arms Device with Letters B.S.A.

206974 Pedal bicycles, and tricles propelled wholly by the rider and parts thereof used exclusive therefor all being goods included in Class 12 It is true that there was a compromise between the plaintiff and Derby International Corporation, S.A., Raleigh Industries Limited, BSA Cycles Limited, Hercules Cycles & Motor Company Ltd., J.B. Brooks & Company Limited, J.A. Phillips & Co. Limited, The Wright Saddle Company Limited, Norman Cycle Limited, Brampton Fittings Limited and Triumph Cycle Company Limited, by which it was agreed inter alia that the above four trademarks, as per the terms of the compromise, the defendants confirmed and acknowledged that the plaintiff is the sole and absolute owner of the said assigned marks insofar as they pertain to the territory of India. Several documents have been filed to demonstrate that the plaintiff has been dealing in these products for several years. On 14-11-2008, the defendant wrote a letter to the plaintiff stating that his Company is the parent Company of BSA Company. He has referred to the abandonment of the application in August 2003 which has been referred to earlier and also the fresh application on 27-08-2008. It is stated that their concern with the new launch is the potential impact that it will have on the defendant's plans of manufacturing and distributing BSA motorcycles in India and East Asia and that they are about to conclude a trading arrangement with Major European Company. The defendant requested the plaintiff to confirm that they do not propose to use the letters 'BSA' on any vehicle other than the non-motorised vehicles. But if they do not agree to the respondent's offer, that they prefer to discuss the matter to fully investigate the possibilities of future mutual co-existence or license by their Company prior to the involvement of the Lawyers. To this, a reply was given stating that the use of the trademark in the territory of India has already been the subject matter of a suit which was compromised. This letter was written by the Chairman of the Plant and in the same letter, he had indicated that he had requested the Managing Director to look into the matter regarding the ownership and usage of the said trademark in India. On 18-12-2008, the Managing Director replied to the defendant that the plaintiff is the sole and absolute owner of the mark 'BSA', without any restriction and they have referred to the relevant documents which confer on them, the right and that, according to the respondent, there was no restriction on their right to use the trademark to bicycles alone. The plaintiff also stated in this letter that the defendant was entitled to success in their endeavours outside the territory of India. But, since the plaintiff had built up their brand with a lot of effort and had enjoyed tremendous reputation and goodwill in plans of launching motorised vehicle bearing the same mark in India, the defendant's entry in India would violate their rights. Thereafter, came the letter dated 22-12-2008 where it was stated that BSA cycles did not have the right to use the trademark and motorised vehicles and that the only option open to the respondent was to take efforts to "effect a cessation of the" applicant's use of the letters 'BSA' on the e-scooters. They also referred to the agreement between the BSA cycles and Raleigh Industries which would show that BSA Cycles had no right to use the trademark on motorised vehicles. The copies of the trademark register had been enclosed in the typed set of papers to show that the Deed of Assignment dated 24-06-1961 is in "respect of pedal cycles, tricycles and parts" and "motorised cycles" are not included in that and the extract from the "Trade Journal" has also been produced to show the name of "BSA Company Limited" in caption and also the terms "Proposed to be used." The application filed by the respondent was opposed by the applicant and finally, by their letter dated 06-02-2004, the respondents withdrew their application and the application was treated as withdrawn.

(ii) One of the grounds vehemently raised on behalf of the plaintiff/applicant was that the respondent has not established their right to the trademark and mere extract from Wikipedia will not come to their aid. We do not think this objection of the appellant could be sustained. As submitted by the learned counsel for the respondent, the applicant has referred to that the respondent as the successor-in-interest of BSA Company. Even in the grounds they have stated that on 27-12-1982 when BSA Company Limited applied for registration, there was no claim of user from 1945 as contained in the original registration; but the claim of user has been mentioned as 'proposed to be used' and that this would prove that neither the respondent nor the predecessor-in-interest have retained their trademark BSA Device. Ofcourse, they have also added that the respondent had not filed any document to prove that they are successor of the Birmingham Small Arms Company Ltd. However, it is stated in the grounds of appeal that the respondent's predecessor-in-title knowingly withdrew the application for registration of trademark 22 years after filing of the application and therefore, the respondent who claims to be the successor-in-interest is estopped from asserting any rights. The repeated submissions were that after having abandoned the application for trademark it is now not open to the respondent to claim that they are entitled to use the trademark. Therefore, as submitted by the learned Counsel for the respondent, there has been no serious challenge to the respondent's right to assert a claim to the trademark.

(iii) When it comes to issue of passing off, the issue is totally different. There can be no dispute that the respondent has been selling cycles for several decades. The BSA Cycle has earned the reputation and when motorcycles are launched in the name of BSA then it would only be natural to think that the BSA motorcycles and the scooters come from the same staple as BSA cycles. The defendant has not marketed the goods in India. In fact, their own counter is that "no trademark has been used and no goods had been sold." Even in their letter dated 22-12-2008, the defendant's only claim that there is a proposed sale by the respondent by concluding a trade agreement with a major European Manufacturer with a substantial partner in India. Therefore, admittedly they have not yet established a presence in India and the exchange of letters also show that while the applicant was insistent that there can be no interference with the applicant's Indian presence, the defendant could mark their products anywhere outside India. On the other hand, the defendant was willing to arrive at either mutually acceptable co-existence or parting with the right to use the trademark in regard to motorcycles if it was necessary. This ofcourse, is on the basis that the right to use the trademark in respect of motorcycles had not been assigned to the applicant which the applicant stoutly denies. Therefore, presumably for some consideration, the respondent claiming to be predecessor-in-interest of the Company which parted with the allegedly limited right with the applicant was willing to arrive at a mutually acceptable arrangement.

(iv) In 2003 26 PTC 60 (Del) the plaintiff was the proprietor of the trademark "MARS". In this case, the tests for granting relief in quia timet action are listed, "29. The only tests for injunctive relief in Quia Timet Action are:- (i) Whether it is likely to cause confusion or to deceive the purchasers as to source or origin of the trade mark or the goods to be sold in future under the said mark irrespective of the fact whether goods intended to be sold are competitive goods or not; (ii) Whether the intention to use of infringed trade mark is to trade or cash upon the reputation and goodwill of the plaintiff earned over the years through extensive advertisement and huge expenses; (iii) Whether there is likelihood of real or tangible damage or injury to the plaintiff or reasonable probability if the

same would take place. In other words whether use of the trademark by the defendant is likely to be associated with the plaintiff's trade mark or business; (iii) Whether the hardship suffered by the plaintiff would be greater than that of the defendants if injunction is not granted against the defendants."

(v) In 2009 (3) Scale 818(BOC India Ltd., Vs. State of Jharkhand and Ors.) was relied on for the purpose of supporting their case that the respondent does not have any basis to show from where he traces his right except the extract from Wikipedia and in this judgment the Supreme Court had observed that it is not possible to give a finding relying on Wikipedia alone.

(vi) In 2008 (36) PTC 463 (Kores (India) Limited Vs. Whale Stationery Products Ltd.,) the judgment of the Privy Council in Star Industrial company had been extracted:

"12. At this stage, it would be material to advert to the decision of the Privy Council in *Star Industrial Company Limited v. Yap Kwee Kor* (trading as New Star Industrial Company) 1976 FSPLR 256. The decision of the Privy Council arose upon an action for passing off where the Plaintiff which was a company based in Hong Kong manufactured toothbrushes in that country with a characteristic get up and a letter device called "ACE BRAND". The company marketed its toothbrushes in Singapore prior to 1965 particularly for reexport. In 1965, the company stopped marketing its toothbrushes in Singapore. In 1968, the Defendant formed a company with a name similar to the Plaintiff and commenced marketing toothbrushes in Singapore with a getup that was indistinguishable from the mark which was originally used by the Plaintiff. In an Appeal which arose before the Privy Council in an action for passing off, Lord Parker speaking for the Privy Council held thus:

"A passing off action is a remedy for the invasion of a right of property not in the mark name or getup improperly used, but in the business or goodwill likely to be injured by the misrepresentation made by passing off one person's goods, as the goods of another. Goodwill, as the subject of proprietary rights, is incapable of subsisting by itself. It has no independent existence apart from the business to which it is attached. It is local in character and divisible; if the business is carried on in several countries a separate goodwill attaches to it in each. So when the business is abandoned in one country in which it has acquired a goodwill the goodwill in that country perishes with it although the business may continue to be carried on in other countries. (See: *Inland Revenue Commissioners v. Muller & Co.'s Margarine Ltd.* [1901] A.C. 217, per Lord Macnaghten at p.224; per Lord Lindley at p.235.) Once the Hong Kong Company had abandoned that part of its former business that consisted in manufacturing toothbrushes for export to and sale in Singapore it ceased to have any proprietary right in Singapore which was entitled to protection in any action for passing off brought in the courts of that country.

The Privy Council held that when the business is abandoned in a country in which it has previously been carried on, the goodwill associated with the use of the mark in that country would perish in that country even if continued to be used in other countries.

13. The position that emerges when a mark is used by a company abroad is summarized in the judgment of Oliver L.J. in *Anheuser Busch v. Budejovicky Budvar* (1984) F.S.R. 413 in which the

Court of Appeal in England held thus :"

The first defendant, he submits, were doing no more than honestly using their own business name, in which there was no monopoly and which in any event signified no more than a geographical origin. I am certainly prepared to accept that the first defendants were acting honestly, but the proposition that because they were doing no more than using their own business name which they had previously used in Europe, there was no misrepresentation, begs the question. If the plaintiffs had in fact an established reputation and goodwill in the name in England, the use of the same name by the first defendants, however honest and however much used elsewhere, constitutes a misrepresentation if it leads people to believe that their goods are the goods of the plaintiffs."

And in that case, since the plaintiff was the registered proprietor of the trademark "KORES" and the defendant submitted that they were in the process of rectification of the registered trademark, it was held that the registered proprietor was entitled to the benefit of the statutory protection.

(vii) In 2002 (3) SCC 65(Laxmikant V. Patel Vs. Chetanbhai Shah) it was held thus:

"12. In *Oertli v. Bowman* (1957) RPC 388, (at page 397) the gist of passing off action was defined by stating that it was essential to the success of any claim to passing off based on the use of given mark or get-up that the plaintiff should be able to show that the disputed mark or get-up has become by user in the country distinctive of the plaintiff's goods so that the use in relation to any goods of the kind dealt in by the plaintiff of that mark or get up will be understood by the trade and the public in that country as meaning that the goods are the plaintiff's goods. It is in the nature of acquisition of a quasi-proprietary right to the exclusive use of the mark or get-up in relation to goods of that kind because of the plaintiff having used or made it known that the mark or get-up has relation to his goods. Such right is invaded by anyone using the same or some deceptively similar mark, get-up or name in relation to goods not of plaintiff. The three elements of passing off action are the reputation of goods, possibility of deception and likelihood of damages to the plaintiff. In our opinion, the same principle, which applies to trade mark, is applicable to trade name."

(viii) During the course of hearing, the learned Senior Counsel appearing for the respondent produced a xerox copy of a communication from the Trade Marks Register that their TM-16 dated 07-10-2009 was allowed subject to association with application Nos.109847 and 109849. The learned Senior Counsel appearing for the appellants objected to the production of this document across the Bar. But both on the basis of the above document and also on the basis of the fact that there is tacit admission of the respondent's right which we have dealt with earlier, we confirm the order of the Learned Single Judge regarding trademark.

(ix) Now we will deal with passing off. In the present case, the communication from the respondent shows that they have entered into a contract with an European manufacturer and they intend to manufacture their motorcycles, which they have not yet started. It is for the invasion of the plaintiff's rights that this suit was filed apprehending injury. Even the respondent has not disputed that the appellant has been marketing their products under the trademark BSA. If the respondent were to introduce their products in India either under the mark BSA or BSA Regal, there is no doubt

that there is likely to be confusion in the minds of the consumer that the respondent's products or the appellants. The respondent is willing to agree to some understanding as admitted by them. So obviously any injury suffered by them can be quantified in monetary terms. So if we apply the tests for granting relief in a quia timet action, the answers are in favour of the appellant, with regard to passing-off.

11. In the result, the appeals O.S.A.No.234 of 2009 is allowed and O.S.A.Nos.233 and 292 of 2009 are dismissed. However, there will be no order as to costs. The connected miscellaneous petitions are closed.

glp