

(2003) 06 MAD CK 0006

In the Madras High Court

Case No : Original Application No's. 248 and 249 of 2003 and Application No's. 1923 and 1924 of 2003 in C.S. No. 181 of 2003

Austin Reed Limited

APPELLANT

Vs

Suntex Garments
Suntex Garments and Ramchander
Tiwari Vs Austin Reed Limited

RESPONDENT

Date of Decision : 27-06-2003

Acts Referred:

Citation : (2007) 35 PTC 774

Hon'ble Judges : Prabha Sridevan, J

Bench : Single Bench

Judgement

Prabha Sridevan, J.—The applicant is a Company having its registered office in Station Road, THIRSK, North Yorkshire, Y 07, 1 QH,

England consisting of three partners namely, defendants 2 to 4, who are carrying on business in Calcutta. The applicant manufactures and sells

garments under the trademark ""Austin Reed"". The respondents run a business under the name and style of ""Suntex Garments"".

2. The applicant commenced its business in 1900 and soon established a reputation for excellence and high quality. The applicant is an international

player and has a trans-country reputation. In India, the applicant's trademark ""Austin Reed"" was duly registered since 1950. In September 2001,

the applicant came to know that the defendants were selling their garments using the applicant's trademark within and outside the territorial

jurisdiction of this Court. Further enquiries revealed that the respondents had filed a trademark application in the name ""Austin Reed"" and a notice

was issued on 24-09-2001. There was exchange of correspondence. In none of the letters sent by the respondents did they put up any defence

regarding the adoption of the trademark. Instead, they indicated that they were interested in settling the matter.

3. According to the applicant, the suit is therefore, filed for restraining the respondents from using the trademark ""Austin Reed"" illegally and without justification. The cause of action paragraph relating to the cause of action arising within the jurisdiction of this High Court reads thus:

They also assert their exclusive right to use the trademark all over India including the city of Chennai. It is a threat of using the mark in Chennai.

The products with the impugned mark are also being sold commercially in the city of Chennai with the spurious mark.

So, according to them, cause of action arose within the jurisdiction of this Court. Hence, leave was sought for and leave was granted.

4. The respondent, who has filed an application for revocation of leave to sue would submit that there is no justification for filing the suit in the

Original Side of this High Court. The applicant carries on business in England. The respondent carries on business in Calcutta. The allegation of

sale in Chennai is unfounded and therefore, the leave to sue should be revoked.

5. The learned Counsel for the applicant, who have been granted leave to sue, would submit that the applicants have been in the business for

hundred years. The registration in India has been used from 1950. The defendant, by asserting user of the trademark all over India had committed

infringement all over India would include the city of Chennai and therefore, this Court has got jurisdiction. An advertisement has been made in a

magazine, which has circulation in Chennai and there has been sale in Chennai for which an invoice has been produced. So all these factors would

give this Court the jurisdiction to try the suit.

6. The following decisions have been relied on by the learned Counsel for the applicant:

(1) An unreported judgment of a Division Bench of this Court in O.S.A. No. 53/95 in which on facts it was held that the defendants claim of

distinctiveness under trademark application through sales all over India necessarily included the city of Madras and therefore, the Division Bench

held that the leave to sue shall not be revoked.

(2) In similar circumstances, in O.S.A. No. 82 of 1995 the same Division Bench confirmed the grant of leave.

(3) Another judgment of the Division Bench of this Court reported in Ramu Hosieries, rep. by its Sole Proprietor v. Ramu Hosieries, rep by its

Partner Pandela Ramu 1998 III L.W. 784 was also relied on.

7. On the other hand, Mr. B.T. Seshadri, learned I counsel appearing for the respondents would submit that there are no bona fides in the

applicant's assertion that part of the cause of action arose within the jurisdiction of this Court and relied on the following judgments:

(1) Parameswara v. V. Mahedevi AIR 1923 Mad 272

(2) Tuticorin Alkali Chemicals and Fertilisers Ltd. v. Cochin Silicate and Glass Industries 1992 (1) L.W. 308.

(3) Gold Seal Engineering Product Pvt. Ltd. and others Vs. Hindustan Manufacturers and others, where a Single Judge held that the suit relating to

infringement of trademark and passing off was filed in Bombay though the defendants were carrying on business in Calcutta there is no proof that

the defendants despatched the goods sold in Bombay or that the supply was on commercial basis. The learned Judge therefore, held that the

Bombay High Court has no jurisdiction to entertain the claim.

(4) In Parasram Harnandrai Vs. Chitandas and Others, which was also on the question of revocation of leave, the learned Judge held that leave

shall be revoked if revocation is sought for at an early stage, if the decision does not depend on difficult questions of law or fact, if the defendant

clearly shows that no part of cause of action arose within the jurisdiction of the Court. If only a part of the cause of action arose within the

jurisdiction then it is a question of discretion for the Court to give or refuse leave. The Court shall also take into consideration the balance of

convenience and may refuse leave or revoke leave, even if there is no evidence of bad faith or abuse of process. If the Court is satisfied that the

suit has been filed "mala fide" for the purpose of harassing or oppressing the defendants which might result in injustice, the Court should readily

refuse the leave or if leave has already been granted revoke the leave. In this case, it has also been held that for deciding whether to revoke leave,

the Court shall see which is the "Natural Forum".

(5) In Bihar State Agro-Industries Development Corporation Ltd. Vs. Ram Chand Khosla and Another, the Division Bench of the Calcutta High

Court held that the respective advantages and disadvantages of the parties in

the facts and circumstances of the case must be considered while deciding the issue of revocation of leave.

(6) Tuticorin Alkali Chemicals and Fertilizers Ltd. v. Cochin Silicate and Glass Industries 1992 I LW 308 a Division Bench of this Court held that

in considering the balance of convenience the Court is required to see the plaint and the fact stated therein.

(7) In AIR 1923 Mad 272 (cited supra), the Division Bench held that the real question to be considered is the balance of convenience and that

where major portion of the cause of action arise at Madras, leave to sue in Madras is only refused.

(8) In Himachal Pradesh Horticulture Produce Marketing and Processing Corporation Ltd. Vs. Mohan Meakin Breweries Limited, ,

In a suit for passing off or injunction on account of infringement of trade mark, the cause of action partly or wholly can arise in a given jurisdiction

only if it is the defendant who is proved to have directly made sale of goods under the impugned trade mark, within that jurisdiction, not to an

individual consumer but to a distributor, wholesaler or retailer and that such a sale is on a commercial scale. In the instant case there was no

evidence to show any transaction of sale of goods under the impugned trade mark, made by the defendant at the place where the suit for passing

off and injunction was instituted and so the court at that place had no jurisdiction to entertain the suit.

8. The respondent is using the same trademark as the applicant namely ""Austin Reed"". There can also be no dispute regarding the fact that the

applicant has been using the same since the turn of the century. But the continuation of injunction will depend on whether this Court shall try the

suit.

9. The applicant can file the suit in this Court if it is shown that there was sale on a commercial scale of shirts bearing the offending name ""Austin

Reed"" by the respondent in India and particularly in Chennai. The document relied on by the applicant is a bill dated 19-12-2003 issued by Lords

Paris Tailors at Chennai, describing the goods sold as one ""Austin"" shirt. The trade name of the applicant is ""Austin Reed"" shirt and not Austin shirt

and even if we assume that this invoice refers to ""Austin Reed"" shirt, there is nothing to connect it with the respondents nor does it show that the

respondents have sold the goods within the jurisdiction of the Court to a distributor, whole-saler or retailer on a commercial basis. Therefore, the bill dated 19-12-2003 cannot help the applicant to sue the respondents in Madras.

10. The next factor to be considered is whether the publication in the magazine known as ""Inside Fashion"" would entitle the applicant to file the suit here.

11. The learned Counsel for the applicant relied on 1998 III L.W. 784 (cited supra), where it was held that advertisement in ""Eenadu"" having a wide circulation in Chennai would amount to infringement of the trademark of the applicant which was registered in Chennai. But the decision has to be read as a whole. The Division Bench held that since the applicant's trademark was registered at Chennai it is the situs of the property and the advertisement in Eenadu which is widely circulated in Chennai, would itself amount to infringement of the trademark in Chennai since the trademark has been registered at Chennai. This decision will have no application to the present case.

12. The applicant has not shown that the magazine ""Inside Fashion"" has a wide circulation in Chennai. Neither party has registered the trademark at Chennai. So the decision cannot apply. The respondents have denied sales to any shop in Chennai and have also denied that any advertisement has been made in a magazine which is circulated in Chennai. It is also their case that merely because in the application for trademark no geographical, limitation is given, it would mount to user in Chennai. The submission must be accepted. In the two unreported judgments the learned Judges have also referred to the facts pleaded in the cases for arriving at the decision. The Division Bench has observed, ""once the plaintiff comes forward with the necessary averment..." and ""sufficient facts have not been set out..." to show balance of convenience.

13. The plaint does not reveal that any part of the cause of action arose at Chennai. To merely say that an application is made to the Registrar of Trademarks at Calcutta, in which no geographical limitation is given, cannot give rise to a cause of action in Chennai. The rectification application has been made only in Calcutta by the respondent on the ground of non-user of trademark by the applicant.

14. Next we come to "Forum of convenience" and the ""Natural Forum"". The applicant is in England and would any way have to come to India to fight his case. The defendants are in Calcutta. It is very unnatural for the applicant to choose Chennai as the "Forum of convenience". It is nothing but a ploy to harass the respondents, since the pre-suit talks have failed. The ""Natural Forum"" as also the ""Forum of Convenience"" would be Calcutta"". Not even one of the letters, which have been referred to in the plaint and which were exchanged between the parties prior to the suit emanated from Chennai. The proceeding under the Trademark Act are also at Calcutta. The Registration of Trademark is not in Chennai. There is no proof of sale in Chennai. The defendants will unnecessarily be forced to bring all the records which are in Calcutta and bring their witnesses, who are also in Calcutta, to Chennai to defend the case. On the other hand, if the suit is laid in Calcutta the plaintiff, who would anyway have to come to India to prosecute the case, will go to Calcutta instead of Chennai. It makes no difference to the applicant.

15. The convenience factor is in favour of the respondent. But it is not only because of convenience that the respondent's case is accepted. It is primarily because the applicant has failed to show that any part of the cause or action arose at Chennai. Leave granted in Application No. 1043 of 2003 is revoked. Application No. 1923 of 2003 to revoke the leave, is ordered as prayed for Application Nos. 249 and Appeal No. 1924 of 2003 are closed.