

(2001) 08 NCDRC CK 0030

In the National Consumer Disputes Redressal Commission

DIRECTOR GENERAL (IAndR)

APPELLANT

Vs

EAC TRADING PVT. LTD.

RESPONDENT

Date of Decision : 22-08-2001

Acts Referred:

Citation : 2002 1 CPJ 18

Hon'ble Judges : C.M.Nayar , R.L.Sudhir J.

Final Decision : Complaint dismissed

Judgement

1. THIS is an application of the Director General Investigation and Registration) (DG in short) under Section 10(a)(iii) of the Monopolies and Restrictive Trade Practices Act, 1969 (hereinafter referred to as the MRTP Act) which arises in the circumstances that respondent No. 1 was appointed by respondent No. 2, as its exclusive distributor and importer for India of LEGO children toys and devices. The respondent No. 2 is based in Singapore and inter alia engage in the business of manufacturing/exporting toys and devices under trade mark LEGO to respondent No. 1. The subject-matter of the present proceeding relates to Distributorship Agreement entered into between respondent No. 1 and respondent No. 2 made effective from 1st January, 1997. Clause 1.1 and Clause 5.2 are termed as restrictive in nature and by virtue of the provisions of Sub-section (1) of Section 33 of the MRTP Act, these clauses may be referred to as below : Clause 1.1 : "LEGO hereby appoints the DISTRIBUTOR as LEGO exclusive distributor and importer for India (hereinafter referred to as the TERRITORY) for such lego toys and devices which are today marketed by LEGO as toys and the future developments notified from time to time by LEGO to the DISTRIBUTOR which will be marketed by LEGO as toys and thereto related brochures and other advertising materials (hereinafter referred to as the PRODUCTS) subject to the conditions stipulated in this Agreement."

Clause 5.2 : "All in queries and orders which LEGO may directly receive from customers in the TERRITORY shall be forwarded to the DISTRIBUTOR for attention, provided however, that LEGO shall have the right to deliver directly to

customers in the TERRITORY provided that the DISTRIBUTOR instead is paid a commission to be agreed upon between the PARTIES. LEGO shall seek to inform the DISTRIBUTOR in advance of such sale."

2. FURTHERMORE, Clause 12.3 relating to appointment of dealer and Clauses 15.1 and 15.2 which are referred to in paragraphs 5 and 6 of the complaint in respect of the same distributor read as under : Clause 12.3 : "Further the DISTRIBUTOR shall not be entitled to appoint dealers or sub-distributors in the TERRITORY without LEGO'S prior written approval." Clause 15.1 : "During the continuance of the Agreement, the DISTRIBUTOR will not extend his present range of toy products without prior written approval of LEGO which approval shall not be unreasonably withheld." Clause 15,2 : "FURTHERMORE the DISTRIBUTOR undertakes during the continuance of this Agreement and for a period of 2 (two) years after the termination according to Article 10 above or termination by LEGO according to Article 11 above of this Agreement, not directly or indirectly to manufacture, market or distribute any construction and/or building toy products which a majority of consumers perceive as a "construction and/or building toy" including but not limited to products which are wholly or partly compatible with the PRODUCTS."

We have heard ADG for DG and find that clauses referred to in the application are not covered by the provisions of Sub-section (1) of Section 33 of the MRTP Act, and no public interest is involved nor any specific complaint has been raised by either of the two parties. We, therefore, decline to entertain this complaint in the facts and circumstances of the case. The same is accordingly dismissed. The Notice of Enquiry is discharged with no order as to costs. Complaint dismissed.