

(2001) 08 NCDRC CK 0022

In the National Consumer Disputes Redressal Commission

DIRECTOR GENERAL (INVESTIGATION AND REGISTRATION)

APPELLANT

Vs

Usha International LIMITED

RESPONDENT

Date of Decision : 06-08-2001

Acts Referred:

Citation : 2002 1 CPC 674 : 2002 2 CPJ 29

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

Final Decision : Application dismissed

Judgement

1. THIS application of the Director General (Investigation and Registration) arises under Section 10(a)(iii) read with Section 37 of MRTP Act, 1969 for institution of an enquiry against the respondent. Respondent No. 2 M/s. Janome Sewing Machine Co. Ltd. is stated to have entered into an "Agency Agreement" which came into force for four years w.e.f. 1.4.1997. The clauses which are impugned are referred to in paragraph 5 of the Agreement which may be reproduced as below : "USHA represent and confirm that it has obtained the necessary permission from the owners of Trade Mark USHA for the PRODUCTS for its use. NANOME represent and confirm that it is the owners of Trade Mark JANOME for the PRODUCTS. Both parties agree and hereby given their respective consent for use of their respective brand names in the hybrid form of USHA-JANOME for the PRODUCTS for the sale in TERRITORY. The parties hereby specifically agree that the brand name USHA-Janome will not be used in any PRODUCTS not sold/distributed through USHA whether in the Territory or otherwise."

2. A reply dated 20.3.2001 has been received from respondent No. 1. It reads as below : "This is further to our letter dated 19th March, 2001. We wish to inform you that our Agreement with M/s. Janome Sewing Machine Company, Japan has been revised and a confirmation in this regard signed by both the parties is enclosed herewith. We wish to add that the Agreement relates to import and distribution of highly computerised and technical Sewing Machines which require expert skills for sale as well as After Sales Service. Since UIL is in the business of marketing Sewing Machines for over six decades, it possesses the desired

expertise supported with a nation wide network of its marketing and After Sales Service Centres. In the interest of the Consumers in general, it is essential to ensure that such machines are not imported by unscrupulous parties in India and, therefore, reasonable restriction has been kept on Janome Sewing Machine Company not to supply the products to any other party except UIL."

In view of the above averments and the settled law that territorial restriction imposed on the sellers not to sell vehicles outside their territories is not a restrictive trade practice as referred to in the Judgment of the Supreme Court of India reported as AIR 1977 Supreme Court 973, in the matter of Tata Engineering and Locomotive Co. Ltd., Bombay v. The Registrar of the Restrictive Trade Agreements, New Delhi, we are not inclined to issue any Notice of Enquiry to the respondents in the present case. The present application is, therefore, dismissed. Application dismissed.