

**ABDUL AZIZ**  
**v.**  
**USHA INDUSTRIES LTD.**

C. A. NO. 597/79  
D. C. COLOMBO 1537/SPL  
K. PALAKIDNAR, P. (CA) &  
L. H. G. WEERASEKERA J.  
23 MARCH AND 02 APRIL 1993

*Intellectual Property - Trade Mark - Right of local importer to register in his own name in Sri Lanka, the foreign manufacturer's trade mark registered in a foreign country - Section 10 and 76 Trade Marks Ordinance.*

Jay Engineering Works was a company incorporated in India and proprietor of the Trade Mark "USHA". Since 1937 Jay Engineering Works manufactured sewing machines and fans under Trade Mark "USHA" and imported them to various countries. From 1953 Jay Engineering Works commenced to export sewing machines and fans bearing their Trade Mark "USHA" to Sri Lanka. The local importers were first G. H. Reimoo and later Reimoo & Sons Ltd.. On 19-01-54 G. H. Reimoo registered himself in Sri Lanka as the proprietor of the Trade Mark "USHA". Jay Engineering Works had by telegram lodged opposition to Reimoo's application to register the Trade Mark but not pursued it. In September 1961 Usha Industries Ltd. was incorporated in Sri Lanka as a subsidiary of Jay Engineering Works. Jay Engineering Works held 49% of the shares while Reimoo & Sons Ltd. held 26%. The new company was to manufacture sewing machines and fans in Sri Lanka with technical assistance and collaboration of Jay Engineering Works who also supplied components. G. H. Reimoo and later Reimoo & Sons Ltd. continued to be the sole agents for the sale of sewing machines and fans of the plaintiff company trade marked "USHA". The trade Mark "USHA" was registered in the plaintiff company's name on 18-01-63 with G. H. Reimoo stating he had no objection and on 15-10-64 he assigned his rights to the plaintiff company. In September 1987 Reimoo & Sons Ltd referred the notice of renewal of their original Trade Mark to the plaintiff company who acknowledged receipt. In the meantime on 27-10-70 the Agency agreement between Reimoo & Sons Ltd and the plaintiff Company was terminated.

**Held :**

The defendant-appellant was not an aggrieved person and was not entitled to register the trade mark USHA by virtue of selection, or dealing or offering for sale.

When an importing agent has registered the mark of the manufacturer of the goods imported -

1. the mark should represent the reputation of the importer and not of the manufacturer of the goods imported ;

2. The importer must have the consent of the manufacturer to be the sole consignee.
3. He cannot act in breach of his duties as agent of the manufacturer and he should act honestly, faithfully and in good faith. An importer will be entitled to register by reason of selection of the goods or dealing offering for sale only where he has exercised skill and knowledge in the selection.
4. A customer must rely only on the genuineness and quality of the article on the importer's testimony.
5. The application for rectification must be by a person aggrieved.

Appeal from the judgement of the District Judge of Colombo

*H. L. de Silva, P.C.* with *Varuna Basnayake, P.C.* and *A. S. Jayawardene* for defendant-appellant

*K. N. Choksy, P.C.* with *Nihal Fernando* for plaintiff respondent

*Cur. adv. vult*

May 31, 1993.

## **WEERASEKERA, J.**

The plaintiff-respondent sued the defendant-appellant as executor of the estate of the late G. H. Reimoo as a person aggrieved, for a declaration and or that the estate of the late G. H. Reimoo had no right or title to or in the Trade Mark "USHA" and for an order for rectification to the Register of Trade Marks by expunging Trade Mark No. 15210 in that G. H. Reimoo had obtained his Registration 15210 fraudulently or that it was held in trust for Jay Engineering Works. The plaintiff-respondent also prayed for an injunction restraining the defendant from using the said Trade Mark. The defendant-appellant in his answer took up the position that Jay Engineering Works is the Registered Proprietor of the Trade Mark "USHA" in India while the Registered Proprietor of the Trade Mark in Sri Lanka was G. H. Reimoo. The defendant-appellant also took up the position that having been the selling agents and distributors of the products of Usha Industries Ltd. and earlier of Jay Engineering Works, G. H. Reimoo was entitled to Registration of the Trade Mark by reason of selection, dealing with and offering for sale machines with the "USHA" mark and that on this basis G. H. Reimoo became the Proprietor of the Trade Mark.

The case went to trial on 18 issues.

The following facts were established by evidence and there are no serious disputes on them.

- (a) That Jay Engineering Works is a company incorporated in India and the Proprietor of the Trade Mark "USHA"
- (b) That since 1937 Jay Engineering Works manufactured sewing machines and fans under the Trade Mark "USHA" and exported them to various countries under the Trade Mark "USHA"
- (c) That from about 1953 Jay Engineering Works commenced to export sewing machines and fans to Sri Lanka to which was affixed the "USHA" Trade Mark in India.
- (d) That the sale in Sri Lanka of these sewing machines and fans were done at first by G. H. Reimoo the individual and later by Reimoo & Sons Ltd. from 1953.
- (e) That on 19.1.54 by P1 G. H. Reimoo registered in Sri Lanka as the proprietor the Trade Mark "USHA" in respect of sewing machines and fans No. 15210.
- (f) That by P2 on the application to Register being advertised Jay Engineering Works sent a telegram stating that opposition to the Registration will be filed though not pursued.
- (g) That in September, 1961 the plaintiff company was incorporated in Sri Lanka as a subsidiary of Jay Engineering Works with Jay Engineering Works holding 49% of the shares and Reimoo Sons Ltd. holding 26% of the shares to manufacture sewing machines and fans in Sri Lanka with the technical assistance and collaboration of Jay Engineering Works and with components imported from India by them.
- (h) G. H. Reimoo at first and thereafter Reimoo & Sons Ltd. continued to be the sole agents for the sale of sewing machines and fans of the plaintiff-respondent with the trade Mark "USHA".

- (i) That at the incorporation of the plaintiff-appellant company an application was made to the Registrar of Trade Marks for the registration of the trade mark "USHA" the plaintiff-appellant's name and the registration in respect of fans 22819 was allowed.
- (j) By P25 dated 18.1.63 G. H. Reimoo informed the Registrar that he had no objection to the registration being made in the name of Jay Engineering Works.
- (k) By P26 dated 15.10.64 he assigned his rights but without the goodwill to plaintiff-appellant in regard to Trade Mark 15210.
- (l) By P29 dated in September, 67 Reimoo & sons Ltd, referred the notice of renewal of Trade Mark 15210 to the plaintiff-appellant and by P39 the plaintiff-appellant acknowledged receipt.
- (m) By P26 dated 27.10.70 the agency agreement P27 was terminated and the lapsed application for registration No. 15210 made on P12 No. 30707 in 20.9.1968 is pending the determination of this case.

The learned District Judge in a very careful, exhaustive and well considered judgment has examined the evidence in regard to the questions set out in A to N aforesaid with the evidence of the documents and that of witnesses Sha and Aziz and the Indian and Sri Lanka authorities when he directed his mind to the issues before him and in particular to the question whether the defendant appellant was an aggrieved person and as strongly urged before us by learned President's Counsel for the appellant that by reason of Sections 10 and 76 Trade Marks and the defendant-appellant was entitled to register the Trade Mark "USHA" by virtue of selection, or dealing or offering for sale on this aspect of the evidence and the law before he came to his conclusion with which I find no reason to disagree. The learned District Judge has had the benefit of the judgement of Tennakoon C. J. in Section 114/71 (F) - D. C. Colombo 66432/M which he examined and for the purpose of concluding as he did. It would therefore suffice as Tennakoon C. J. did in Section 114/71 (F) for the purpose of my opinion to quote from the judgment of the learned District Judge.

"In an application for rectification of the register some of the principles by which the Court should be guided may be set down as follows".

"When an importing agent has registered the mark of the manufacturer of the goods imported firstly the mark should represent the reputation of the importer and not of the manufacturer of the goods imported. Secondly, the importer must have the consent of the manufacturer of the goods and be the sole consignee. Thirdly, he cannot act in breach of his duties as the agent of the manufacturer. He should act honestly, faithfully and in good faith. An importer will be entitled to register by reason of selection of the goods or dealing or offering for sale only where he has exercised skill and knowledge in the selection. Fourthly, a customer must relying only on the genuineness and quality of the article on the importer's testimony as to the genuineness and quality. Fifthly, the application for rectification must have been made by the person aggrieved". The above is a passage from the judgment in D. C. Colombo 66423/M which has been quoted verbatim by the Lordships in Supreme Court Judgment in the same case S.C.114/71(F).

In the present case all that the defendant can do is to say that he is entitled to the impugned Trade Mark because he introduced and popularized the name "USHA" in this country. Throughout the advertisements he claimed to be neither the manufacturer or producer of the goods ; he has described himself merely as sole agent. It is true that the defendant-appellant and his father would have expended a considerable sums of money in advertising and finally have purchase transaction. This no doubt is the reason why his distribution rights are referred to in P25 and why he took steps in the agency agreements P27 and P28 to demarcate for himself an agreed territory consisting of Western, Southern, North Western and Sabaragamuwa Provinces where he will have the right to sell the products for a period of 5 years. This agency, can be terminated by either party giving 3 months notice in writing to the other. Nowhere in these documents is there even a semblance of the claim to the proprietorship of the Trade Mark itself. Indeed one finds it difficult to find an explanation for documents P25 and P26 other than on the basis that G. H. Relmoo was not claiming to be the proprietor to the Trade Mark

but was merely claiming to be interested in the distributing of 'USHA' products no doubt as sole agents of Jay Engineering works. In my view therefore the disputed 'USHA' mark does not represent reputation either. Further defendant - Appellant nor his father had the consent of the manufacture to register the 'USHA' mark, nor were they sole consignees, though they were the major consignees. No did the customers in Sri Lanka depend on G.H. Reimoo's or the defendants skill in the selection of the goods or their testimony as to the genuineness of the goods. As such in my view the defendant cannot claim to be entitled to register the 'USHA' mark by virtue of selection, or dealing or offering for sale."

I fully endorse these reasons and the conclusions of the learned District Judge.

For these reasons the appeal of the defendant appellant is dismissed with costs.

**PALAKIDNAR, J.** - I agree,

*appeal dismissed.*

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