IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 20-07-2021

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THE HONOURABLE MR.JUSTICE S.M.SUBRAMANIAM

WP No.22822 of 2012
And
MP Nos.2 and 3 of 2012

Hindustan Unilever Limited,
101, Santhome High Road,
Chennai-600 028. ..Petitioner

vs.

1. Union of India,
   Ministry of Finance,
   Department of Revenue,
   Represented by its Director-Central Board of
   Excise and Customs,
   North Block,
   New Delhi-110 001.

2. The Commissioner of Customs (Appeals),
   Customs House,
   No.60, Rajaji Salai,
   Chennai-600 001.

3. The Joint Commissioner of Customs (IPR Cell),
   Customs House,
   No.60, Rajaji Salai,
   Chennai-600 001.

4. M/s.Jasmine Traders,
   No.101, East Mada Church Street,
   Royapuram
   Chennai-600 013. ..Respondents

Writ Petition is filed under Article 226 of the Constitution of India, praying for the issuance of a Writ of Certiorari, calling for the records of the second respondent comprised in Appeal C.Cus No.483/12 and quash the order dated 21.06.2012 and the corrigendum dated 22.06.2012 in C.Cus No.483/2012 passed by the second respondent and dismiss the Appeal C.Cus No.483/2012.

For Petitioner : Mr.Rahul Balaji

For Respondents : Ms.Lydia

O R D E R

The relief sought for in the present writ petition is to call for the records pursuant to the order passed by the second respondent in Appeal C.Cus No.483/12 dated 21.06.2012 and the Corrigendum dated 22.06.2012 in C.Cus No.483/2012 passed by the second respondent.

2. The petitioner states that the present writ petition is filed against the modified order dated 21.06.2012 passed by the second respondent reversing the findings of the third respondent on the grounds that they are perverse and bad in law.

3. The Hon'ble Division Bench of the Hon'ble Delhi High Court passed an order on 03.10.2012 in the case of Kapil Wadhwa and Others vs Samsung Electronics Co. Ltd and Another [(2012) 194 DLT 23 (DB)] and held that Section 30(3)(a) of the Trade Marks Act, 1999 deals with a situation where the registered proprietor of a trade mark sells the goods bearing the trade mark of a person and thereafter assigns the registered trade mark to another person. The said person (another person) cannot oppose further dealing in those goods by the person who has acquired those goods bearing the trade mark.

4. This was interpreted under Section 30(3)(b) which deals with goods having been put on the market under the registered mark by the proprietor or with his consent and are lawfully acquired by a person and the further sale of the said goods in the market.

5. Further, the Hon'ble Division Bench of the High Court of Delhi, held as follows:-

> “It is here where the issue of lawful acquisition of the goods, when put in the market and further sold in the market arises for consideration, and whatever be the view taken i.e., the market contemplated being the international market or the domestic market, would not make sub clause (a) otiose.”

6. The Hon'ble Division Bench of the Delhi High Court, in the said order, while discussing the issue, further observed as follows:-

> “(1) Where goods bearing a registered trade mark are lawfully acquired by a person,

the sale of the goods in the market by that person is not an infringement of the trade mark by reason only of the registered trade mark having been assigned by the registered proprietor to some other person after the acquisition of those goods.

(2) Where goods bearing a registered trade mark are put on the market and are lawfully acquired by a person, the sale of the goods in the market by that person is not infringement of the trade mark by reason only of further sale in the market.”

7. The Hon'ble Division Bench of the Delhi High Court, in paragraph 73 of the judgment (cited above), observed as under:-

“It is not the case of the respondents that the appellants are changing the condition of the goods or impairing the goods which are put in the foreign market by respondent No.1 or its subsidiary companies abroad. What is pleaded is that the physical features of the printers sold abroad are different from the features of the printers sold in India. But this is irrelevant as long as the goods placed in the International market are not impaired or condition changed. It is pleaded that the respondents have no control pertaining to the sale, distribution and after sales services of its goods which are imported by the appellants and sold in India. Now, the Principle of International Exhaustion of Rights itself takes away the right of the respondents to control the further sale and further distribution of the goods. With respect to after sales services, since the respondents do not warranty anything regarding their goods sold abroad, but imported into India and further sold, they not being responsible for the warranty of those goods, nothing turns thereon, as regards said plea. There may be some merit that the ordinary consumer, who is provided with warranties and after sales by the appellants, on not receiving satisfactory after sales service, may form a bad impression of the product of the respondents and thus to said extent one may recognize a possible damage to the reputation of the respondents pertaining to Samsung/SAMSUNG printers and Samsung/SAMSUNG products sold in India after importation. But, this can be taken care of by passing suitable

> directions requiring the appellants to prominently display in their shop that the Samsung/SAMSUNG printers sold by them are imported by the appellants and that after sales services and warranties are not guaranteed nor are they provided under the authority and control of the respondents and that the appellants do so at their own end and with their own efforts. This would obviate any consumer dissatisfaction adversely affecting the reputation of the respondents, and thus if this is done, the respondents can claim no legitimate reasons to oppose further dealing in Samsung/SAMSUNG products in India.”

These principles are to be followed and to be applied in the case of the petitioner also.

8. The learned counsel for the petitioner made a submission that the Civil Appeal No.8600/2013 is now pending before the Hon'ble Supreme Court of India and there is no interim order as such. Thus, as of now, the ratio laid down by the Hon'ble Division Bench of the Delhi High Court, in the judgment (cited above), is to be followed for the purpose of dealing with the cases, including that of the petitioner.

9. With the above clarifications, the writ petition stands disposed of. However, there shall be no order as to costs. Consequently, connected miscellaneous petitions are closed.

Sd/-
Assistant Registrar(CS-IX)

//True Copy//

Sub Assistant Registrar

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To

1. The Director,
   Union of India,
   Ministry of Finance,
   Department of Revenue,
   Central Board of Excise and Customs,
   North Block, New Delhi-110 001.

2. The Commissioner of Customs (Appeals),
Customs House,
No.60, Rajaji Salai,
Chennai-600 001.

3. The Joint Commissioner of Customs (IPR Cell),
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SR(CO)
RGA(13/08/2021)