

ORIGINAL CIVIL.

Before Mr. Justice Batty.

HEINIGER, PLAINTIFF, v. DROZ AND ANOTHER, DEFENDANTS.*

1900.

Trade-mark—Rights of importer of goods bearing manufacturer's or producer's trade-mark—Contract by importer for exclusive supply of goods—False statement in trade-mark—Deception—Evidence—Admissibility of judgment of Foreign Court—Evidence Act (I of 1872), section 32 clause 4, and section 42—Parties—Joinder of parties—Civil Procedure Code (XIV of 1882), sections 27, 31, 32 and 34—Practice.

September 29,
October 1, 8,
9, 11, 12 and
November 5.

The plaintiff, an importer and seller of watches, sued to restrain the defendants from importing into or selling in Bombay or other parts of India watches similar in appearance to a certain class of watches imported and sold by the plaintiff and having a trade-mark so similar to the trade-mark on the watches imported by plaintiff that it was calculated to deceive purchasers into the belief that such watches were watches imported and sold by the plaintiff. It was proved that the trade-mark on the watches so imported by the plaintiff was not the trade-mark of the plaintiff but that of the manufacturer in Switzerland, and that the plaintiff was merely an importer and seller of the watches under a contract for exclusive supply in India.

Held, that the plaintiff was not entitled to an injunction. An importer can only protect a trade-mark representing his own reputation and the advantage accruing therefrom, but not the trade-mark of another, a manufacturer or producer. It was necessary for the plaintiff to show that the value of the trade which he carried on was due to the reputation acquired by and attaching to the trade-mark as a guarantee of importation by him and not merely as a guarantee of manufacture by somebody else and that therefore the imitation of that trade-mark was an infringement of an exclusive right of his own entitling him to ask for protection. This the plaintiff has failed to do.

It was contended by the defendants that in no case was the plaintiff entitled to relief, inasmuch as by using the words "Roskopf Patent" in the trade-mark for which he claimed protection he was guilty of deception, the fact being that there was no patent in existence for the watches which bore this trade-mark. A certified copy of the judgment of a Swiss Court against one Ferdinand Schmidt on this point was tendered in evidence.

Held, that the issue as to the use of the word 'Patent' could not be decided in this case if the trade-mark in question was not the plaintiff's, as the Court could not in this suit decide whether Messrs. Schmidt and Company were or were not precluded from using the word 'Patent' on Roskopf watches manufactured by

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them. No decision on the point could have effect in a case to which Messrs. Schmidt had not been made a party.

Held, also, that the judgment tendered was not admissible in evidence.

An application was made on behalf of the plaintiff to add the manufacturer as co-plaintiff in the suit.

Held, that the application should be refused. The plaintiff's case was wholly different from that of the manufacturer. The plaintiff's case was that the defendants had infringed his trade-mark as importer, the exclusive right to which in India had been established. The manufacturer's claim would raise questions as to his rights to adopt and protect it in the country of its origin and consequently in all possible markets in which it might be introduced. Sections 27, 31 and 32 of the Civil Procedure Code did not apply.

THE plaintiff prayed for an injunction restraining the defendants from importing into or selling in Bombay or other parts of India a certain class of watches.

The plaintiff was a watchmaker, doing business in Bombay, and he alleged that he had for many years been importing and selling in Bombay and elsewhere in India watches of a particular description of two sizes known as the Roskopf Patent Watches, which were manufactured at Chaux de Fonds in Switzerland by a firm carrying on business in the name of "Widow of Charles Leon Schmidt," the name "Roskopf," inside a circle with a white star of five points in the centre enclosed in an irregular white line, being the registered trade-mark of that firm in Switzerland.

The plaintiff stated that the watches imported by the plaintiff bore the words "Roskopf Patent" inside a circle with a white star of five points in the centre enclosed in an irregular white line on their face and had the said trade-mark also stamped on the back of the case, and that the plaintiff's said watches were well known and much inquired for and purchased in India, particularly by natives, under the name of "Roskopf" watches, and that the plaintiff had acquired a reputation and made considerable profit by the sale thereof: that in October, 1899, the plaintiff learned that the defendants had imported into Bombay a consignment of watches of two sizes, very similar in size, shape and general appearance to the plaintiff's said watches and having the word "Horoscope" in a circle with a design in the centre not unlike a star in the same position as the word "Roskopf" appeared on the plaintiff's watches.

The plaintiff alleged that the pronunciation of the words "Roskopf" and "Horoscope" by non-English speaking persons was so much alike as to mislead a purchaser, and he charged that the defendants had imported the "Horoscope" watches with the object that persons might be deceived into the belief that they were buying the plaintiff's Roskopf watches, and that the use of the name "Horoscope," especially when taken in conjunction with the said circle and design on the face thereof and the size, shape and appearance of the said watches, would cause the same to be sold as the plaintiff's Roskopf watches.

The plaintiff further stated that the watches imported by the defendants had been manufactured by one C. Meyer Gräber of Chaux de Fonds in Switzerland, and that the plaintiff's manufacturer had taken legal proceedings against him in Switzerland, whereupon C. Meyer Gräber had given a written undertaking to have the word "Horoscope" cancelled and not to use it any more or to make use in future of any trade-mark similar to that of the plaintiff.

It was further stated that after the arrival of the defendants' consignment of watches in Bombay the plaintiff remonstrated with the first defendant and objected to the sale thereof as being an infringement of his trade-mark and required the first defendant to re-ship the watches to Switzerland, but the first defendant, while admitting that the watches appeared to be an imitation of the plaintiff's watches and an infringement of his trade-mark and calculated to deceive purchasers, expressed his inability to re-ship the watches to Europe as the consignment was a large one.

The plaintiff prayed for a perpetual injunction against the defendants, for an account and for delivery up of the defendants' consignment to be destroyed.

It appeared from the evidence given at the hearing that the trade-mark on the watches imported by the plaintiff was not his trade-mark, but was the trade-mark of Messrs. Schmidt and Co. the exporters, and that the plaintiff imported and sold these watches under a contract for exclusive supply in India.

The defendants in their written statement traversed all the allegations in the plaintiff's

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At the hearing the defendants raised the following issues :—

(1) Whether the plaintiff has such an interest in the trade-mark as to entitle him to maintain this suit.

(2) Whether the defendants by the importation of Horoscope watches, mentioned in the plaint, have infringed any trade-mark belonging to the plaintiff.

(3) Whether the defendants by the importation of the said Horoscope watches have attempted to pass or passed off the said watches as the Roskopf watches imported by the plaintiff.

(4) Whether the plaintiff is entitled to the relief claimed or any part thereof.

(5) Whether the plaintiff by using the word "Patent" has not been guilty of deception, and whether he is not therefore disentitled to relief in this suit.

In the course of the hearing of the case the following words were allowed to be added to the fifth issue :

"And are the defendants entitled at this stage to take this objection, not raised in the written statement, without notice."

Raike (with *Scott*) for defendants.

The first objection to the plaintiff's case is that the watches for which he asks protection bear a false inscription. They are called "Roskopf Patent." But the evidence shows that there is no patent in existence for these watches. Where a false statement of this kind is made the Court will not grant an injunction. *Sebastian's Law of Trade-Marks* (4th Edition), page 213 *et seq.*, *Morgan v. McAdam*; ⁽¹⁾ *Flavel v. Harrison* ⁽²⁾; *Ford v. Foster* ⁽³⁾; *Leather Cloth Company v. American Leather Cloth Company*. ⁽⁴⁾ Next we say the plaintiff has not such an interest in this trade-mark as to entitle him to bring this suit. It does not belong to him. It belongs to Messrs. Schmidt and Company. The plaintiff is merely an importer of these watches: *Richards v. Butcher*. ⁽⁵⁾ Messrs. Schmidt might sue, but they have not done so, and they are not parties to this suit. The fact that the plaintiff is the exclusive importer of these watches under a contract with Schmidt and Company does not give him a right to sue. No amendment can now be made. *Bhanu v. Kashinath* ⁽⁶⁾; *Sayad Abdul-Hak v. Gulam Jilani* ⁽⁷⁾; *Ayscough v. Bullar*. ⁽⁸⁾

(1) (1866) 36 L. J. (Ch.) 228.

(2) (1853) 10 Hare. 467.

(3) (1872) L. R. 7 Ch. 611.

(4) (1865) 11 H. L. C. 523.

(5) (1891) 2 Ch. 522.

(6) (1895) 20 Bom. 537.

(7) (1895) 20 Bom. 677.

(8) (1889) 41 Ch. D. 341.

Next, on the merits, no infringement of the trade-mark has been shown.

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Robertson (with *Lang*, Advocate General) for plaintiff.

The objection to the use of the word "Patent" is one of which we have had no notice. It ought to have been taken in the written statement. It is too late to take it now. So also the objection that the plaintiff is not the proper person to bring this suit has now been made for the first time. That objection also should have been taken in the written statement—Civil Procedure Code (XIV of 1882), section 34. On the general question they cited *Ralli v. Fleming*⁽¹⁾; *Apollinaris Company v. Norris*⁽²⁾; *Richards v. Butcher*⁽³⁾; *Radde v. Norman*.⁽⁴⁾

BATTY, J.:—This case was concluded on Friday the 12th October, a little before the time the Court ordinarily rises. It was understood that there would not be time before my vacating office,—my tenure expiring on the next day, Saturday the 13th—to consider the evidence and write and deliver judgment. Counsel for both sides agreed, thereupon, to accept judgment though written and delivered after the expiry of office as if written and delivered before. It was also understood that judgment should be accepted if delivered by my successor in office. The case was contested strenuously and with distinguished ability on both sides, and the points involved requiring careful consideration, there was no alternative to the course agreed to.

In this case the plaintiff, Charles Heiniger, seeks a perpetual injunction to restrain defendants, Constant Droz and Amotritz, their servants and agents, from importing or selling in Bombay or other parts of India any watches similar in appearance to the watch "Horoscope" or having on their faces a circle with the word "Horoscope" therein and with the design at present appearing on watches sold under that name, or having any design or mark whatsoever which may be calculated to deceive purchasers into the belief that such watches are the watches of the plaintiff. A prayer is added for account and for the delivery

(1) (1878) 3 Cal. 417.

(2) (1875) 33 L. T. (N. S.) 242.

(3) (1891) 2 Ch. 522.

(4) (1872) L. R. 14 Eq. 348.

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for destruction of such watches as the defendant has imported of the description complained of.

The plaintiff sets forth that the plaintiff, as watchmaker and jeweller, has for years past imported watches made by the firm of C. L. Schmidt and Co. of Chaux de Fonds in Switzerland, and known as "Roskopf Patent" watches, the trade-mark appearing thereon as duly registered in Switzerland being further described; and alleges that those watches having acquired a local reputation, the defendants have, with intent to deceive the public or purchasers, imported the watches known as "Horoscope" bearing a design similar to that of the "Roskopf" trade-mark, in consequence of which steps were taken not only to stop the defendants' consignment in the Customs House, but to proceed criminally against the defendants under section 486 of the Indian Penal Code and section 7 of the Merchandise Marks Act, 1889. The plaintiff further alleges that the manufacturer of the Roskopf watches in Switzerland took proceedings against Messrs. Gräber, the manufacturer of the Horoscope watches in the same country, with the ultimate result that Messrs. Gräber undertook to cancel the trade-mark "Horoscope," and to make no further use of any trade-mark similar to that of the plaintiff. The plaintiff also averred in the plaint that he believed the defendant to have been aware that another importer of Horoscope watches, Phiroz Punthaky by name, had consented to re-ship, on plaintiff's remonstrances and threats of proceedings, a consignment of Horoscope watches on the arrival thereof in Bombay. The plaint contains a further statement that the first defendant admitted the apparent imitation of the Roskopf watches in the Horoscope consignment, but declined to re-ship as that consignment was a large one. These allegations appear to be the most material of those contained in the plaint for the purposes of the decision of this case.

The defendants in their written statement deny all knowledge of the reputation and profit alleged to attach to the Roskopf watches, and also deny that any deceptive similarity exists between the Horoscope watches imported by them and the plaintiff's Roskopf watches and trade-mark, beyond such inevitable resemblance as is common to all cheap Swiss-made

watches, and they assert that there has been no infringement of the Roskopf trade-mark, and that the Magistrate in the criminal proceedings referred to so decided in dismissing the complaint. The defendants also denied all knowledge of the alleged negotiations between the firms of Schmidt and Gräber, the manufacturers respectively of the Roskopf and Horoscope watches, and of the alleged undertaking by Messrs. Gräber, and they disputed the relevancy of the allegations in the plaint on this matter. The first defendant further denied all knowledge of the facts alleged in the plaint as to the stoppage of the consignment to Phiroz Punthaky. He also denied that he had ever admitted the Horoscope watches to be an imitation of the Roskopf watch or to be an infringement of plaintiff's trade-mark.

The defendants' counsel, Mr. Scott, raised the following issues:—

1. Whether the plaintiff has such an interest in the trade-mark as to entitle him to maintain his suit?
2. Whether the defendants by the importation of Horoscope watches, mentioned in the plaint, have infringed any trade-mark belonging to the plaintiff?
3. Whether the defendants, by the importation of the said Horoscope watches, have attempted to pass, or passed off, the said watches as the Roskopf watches imported by the plaintiff?
4. Whether the plaintiff is entitled to the relief claimed or any part thereof?
5. Whether the plaintiff by using the word "Patent" has not been guilty of deception, and whether he is not therefore disentitled to relief in this suit?

The learned Advocate General, who appeared for the plaintiff at the first hearing, objected to this issue as not raised by the written statement which was filed on 22nd February; and that, had the point been raised, the necessary evidence could have been obtained from Europe on the point.

Mr. Scott for the defendants referred to section 147 of the Code of Civil Procedure, 1882, which contemplates the framing of issues on allegations on oath made by the parties or by persons present on their behalf or on allegations made by the pleaders.

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No adjournment, he contended, was necessary, but if necessary, an adjournment could be made. "Roskopf" he alleged to be a system, not a "Patent."

The Advocate General objected that the question involved would be one of Swiss law and that an adjournment would be necessary: that the use of the word "Patent" was justifiable and was recognized as it formed part of the registered trade-mark in Switzerland.

The issue was then allowed to stand with this addition: "And are the defendants entitled at this stage to take, without notice, this objection not raised in the written statement?"

The case was then proceeded with on 29th September, 1st, 8th, 9th, 11th and 12th October. The plaintiff and three other witnesses on his behalf, and the defendant No. 2 and two other witnesses on behalf of the defendants being examined, and forty-two exhibits for plaintiff and twenty-three for defendants being put in evidence.

The first and fifth issues are manifestly preliminary points as to the right of the plaintiff to sue, and it will therefore be convenient to consider them instead of proceeding to the examination of the general evidence and the exhibits.

Now with regard to the use of the word "Patent" on the Roskopf watches, it is obvious that the issue on that point cannot be decided in this case if the trade-mark in question is not the trade-mark of the plaintiff, as this Court could not in the suit, as at present constituted, decide as to whether Messrs. Wille Schmidt & Co. of Chaux de Fonds, Switzerland, were or were not precluded from making use of the word "Patent" in relation to the Roskopf watches manufactured by them. If the trade-mark in its entirety belongs to Messrs. Schmidt & Co., the plaintiff could claim no right to protect it from infringement whether it did or did not contain any element of deception, and no decision as to the right of Schmidt & Co. to use the phrase "Patent" could have any effect in a case to which that firm had not been made a party.

Mr. Scott, on behalf of the defendants, indeed tendered a document which purported to be a certified copy of a judgment by a Swiss Court against one Ferdinand Schmidt on the point in question, and at first attempted to justify its admissibility

under section 32 (4) of the Indian Evidence Act, 1872, as an opinion as to a matter of public or general interest. That clause, however, would manifestly be inapplicable to a document purporting to deal with the rights of a private individual as against the public, in which the interests of the individual formed the subject-matter of the statement; nor is it possible to say that the statement of opinion in the judgment could, within the meaning of the concluding words of that clause, be regarded as made before any controversy as to such matter had arisen. For similar reasons section 42 of the Evidence Act appeared equally inappropriate. And as the defendant in the case referred to is not alleged to have any privity with the present plaintiff, the admissibility of the document in question did not appear to have been made out.

The difficulty that arose in connection with this point illustrates, however, the grave importance in such a case as the present, of the question whether the plaintiff is either responsible for, or entitled to protect, the trade-mark on the watches which he imports or sells.

The plaintiff alleges in his cross-examination that he believed the words "Raskopf Patent" in the trade-mark mean that a certain part of the watch is patented; that he had nothing to show that; but that it is patented in Berne, in Switzerland, he believes. It is evident that the plaintiff is not, and, at all events at present, could not be expected to be, in possession of the full information and documents that would be requisite to justify the use of the word "Patent" in the trade-mark, and if it be a question between the defendants and the present plaintiff whether the latter is disentitled, by the use of the word, to bring the suit, it may well be that the omission from the written statement of all reference to the objection now taken, and the absence of admissible evidence on their part to support in any way their contention, might, in the circumstances of the case, absolve the plaintiff from the necessity of meeting an unsupported allegation of fact which is not admitted by him, and which he has had insufficient notice that he would be called on to meet unless and until the plaintiff has established his right to the trade-mark. However, it is unnecessary to

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consider the effect of the cases cited by Mr. Raikes—*Singer Manufacturing Co. v. Wilson*,⁽¹⁾ *Morgan v. M'Adam*,⁽²⁾ *Marshall v. Ross*,⁽³⁾ *Sykes v. Sykes*,⁽⁴⁾ *Flavel v. Harrison*,⁽⁵⁾ *Ford v. Foster*⁽⁶⁾—on behalf of the defendants for the purpose of questioning the propriety of the word "Patent" in connection with the watch in question, or to discuss the possibility that the word "Patent" may have been used only as part of a well-known designation rather than as a representation that the watch is protected by an existing patent.

The point of primary importance for the plaintiff's case is that he should show that the value of the trade which he carries on is due to the reputation acquired by, and attaching to, the trade-mark as a guarantee of importation *by him*, and not merely as a guarantee of *manufacture by somebody else*, and that therefore the imitation of that trade-mark is an infringement of an exclusive right of his own, entitling him to ask for protection in this country. The evidence on this point consists of plaintiff's own statements of certain entries in his books, of the certificate of registration of the trade-mark, and of the evidence of defendants' witness (No. 2) Hajee Mahomed and the invoice (Ex. 21) of importation by him.

And, first, it must be noted that the plaint alleges only that the plaintiff has for years past imported the watches in question, alleging no further ground of title to the trade-mark.

In examination-in-chief the plaintiff stated:

"I have been carrying on business for ten years in Bombay, during which I have been importing watches called Roskopf into Bombay. I have been the sole importer for the last eight years . . . They have always had on their faces, backs, and inside, the same design, as long as I have been importing them The defendant had six samples in his office of the Horoscope watch Mr. Droz (defendant 1) admitted they (the watches imported by him) were an imitation, but said that I should have stopped the registration of the word 'Horoscope' in Switzerland."

And in cross-examination by Mr. Scott, plaintiff stated:

"These watches are made at Chaux de Fonds in Switzerland My principals are Veuve Schmidt & Co. and Wille Brothers . . . I am not paid by

(1) (1876) 2 Ch. D. 434, 456.

(2) (1866) 36 L. J. Ch. 228.

(3) (1869) L. R. 8 Eq. 651.

(4) (1824) 3 B. & Cr. 541.

(5) (1853) 10 Hare. 467.

(6) (1872) L. R. 7 Ch. 611.

my principals. The watches are not sent on commission sale. I get no bonus on the sale of the watches. I make my profit. They are sent to me on credit. I got my last consignment of Roskopf watches last month from Wille Schmidt & Co. The two firms combined many years ago. For the sale of the watches they are combined; not for the manufacture. I have no written agreement with Wille Schmidt & Co. My business with them commenced in 1894-95. The terms were arranged by personal interview. There is no written record of the terms. . . . I say a star in concentric circle is the property of my firm, *that is to say of Wille Schmidt & Co.*"

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The above statements, it is to be noted, were all made before the two o'clock recess on 29th September—the day the issues were framed. The plaintiff had, then, been asked to produce his books, and did so at 3 P. M., and the book (Ex. 11) was then put in. On page 188 of that book appears the following entry—

"1900. June 30.	Remispart desfrais de proces Framrose and
	West End Co. fr: 459.60
	Agio fr: 100

—as a debit against the Swiss firm, and plaintiff being questioned said:

"I take credit in the first two entries on page 188 in respect of money paid in respect of proceedings taken between me and Framroz and West End Company. I still say the watches are my property and not the property of the Swiss firm. I am the out-and-out purchaser of those watches, and I expect I am the sole purchaser, or ought to be, in Bombay of those watches. I say 'ought to be,' because *I am the sole agent for these watches.* I have an agreement with Wille Schmidt not to sell (*i. e.*, that Wille Schmidt should not sell) those watches to any one else in Bombay, but it is not in writing. I take credit for these payments on account of Framroz & Co., *because the trade-mark belongs to them (i. e. Wille Schmidt & Co.), and I thought it only right they should pay. I took the credits with their consent.*"

Then in re-examination, Exhibit H was put in for plaintiff, though objected to on behalf of the defendants as irrelevant. Exhibit H purports to be an original certificate of registration of the identical trade-mark as found on the Roskopf watches (Exhibits A and B). It is dated 28 Fevrier, 1887, and certifies Ch. Leon Schmidt & Co. domiciled in Chaux de Fonds Canton, Neuchatel, to have submitted the appended mark of which they declare themselves to be the legal proprietors (*proprietaires legitimes*).

Then follows the signature of Schmidt & Co., and a printed note to the effect that when the declaration is made by a proxy of

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the person submitting the mark, the address of the latter must be added to the signature, and, moreover, the power-of-attorney of the owner of the mark must accompany the documents. Mr. Scott was allowed to put further questions on Exhibit H, and elicited from the plaintiff that this trade-mark, registered in 1887, had formed the subject of an action in Switzerland to which Messrs. Wille Schmidt were parties and that the trade-mark had not been since altered in Switzerland to his knowledge.

From the admissions of the plaintiff, the entries in Exhibit 11 and the certificate Exhibit H, it is thus perfectly clear that the trade-mark on the Roskopf watches is the trade-mark of Wille Schmidt & Co., the exporters, and the plaintiff's connection with the watches was only that of an importer and seller under a contract for exclusive supply in India. Plaintiff asserts that he is the owner of the watches which are consigned to him; but this might be alleged by any other purchaser of those watches. But neither the plaintiff nor his counsel for him has been able to claim any property in the trade-mark. It may be noted that the plaintiff's witnesses, Nusserwanji Kanny, and Mr. Lund of the well-known firm of Lund and Blockley, both admitted that the Roskopf watches had been imported into and sold in Bombay for years before the present plaintiff began to import and sell them, and Mahomed Ali, witness for plaintiff, gives the names of successive agents for those watches, and says that *they sold with the same trade-mark*. Lastly, Haji Mahomed Haji Umed, witness No. 2 for defendants, proved that he imported Roskopf watches of the genuine mark, which the plaintiff does not dispute, from London through an English agent.

Mr. Robertson has been unable to contend that his client has taken, or could take, any steps to prevent such importation by others of the genuine Roskopf manufactured by Wille Schmidt otherwise than through the medium of Messrs. Wille Schmidt themselves, that is by enforcing as against that firm the contract for exclusive supply in India.

The case on which Mr. Raikes relies for the defendants is that of *Richards v. Butcher*,⁽¹⁾ before Kay, J., in which Sir Horace

(1) (1890) 62 L. T. (N. S.) 867.

(now Lord) Davey and Renshaw, Q.C., appeared for the plaintiffs, and Aston, Q.C., with Cutter appeared for the defendants. Plaintiffs were champagne importers, and sued to restrain another firm from selling champagne under the term "Monobrut" or any other word in colourable imitation of certain trade-marks consisting of the words "Monopole" and "Dry Monopole," of which Messrs. Heidsieck & Co., champagne exporters at Reims, were the proprietors. Heidsieck & Co. had sent a letter to a member of plaintiffs' firm in the following terms:

"As the firm of Theodor Saton & Co., of which you are a partner, is to be dissolved on 30th June next, we hereby agree to transfer into your hands the sole agency for sale of our champagne wines in the United Kingdom of Great Britain and Ireland, also in the British Colonies, on and after the 30th June next. We promise to sell none of our wines to any person residing in the United Kingdom, or its Colonies, but exclusively to your firm which is to be styled 'Samuel Richards & Co., sole agents for Heidsieck & Co.'s Dry Monopole.' Any order which we may receive direct from the said quarters shall be transmitted by us to your firm, and the orders which we receive from you shall be invoiced to your account and risk at the same prices which we actually charge to the firm of Theodor Saton & Co."

The statement of claim alleged that Heidsieck & Co. were the registered proprietors of two trade-marks consisting of words "Monopole" and "Dry Monopole." The case came before the Court to be argued on the point of law, that the plaintiffs were not capable of suing, inasmuch as they were not the proprietors of the trade-marks, being merely in the position of purchasers of Heidsieck & Co.'s wines under the agreement. The proceedings were in the nature of a demurrer to the statement of claim. Of the cases cited the following only are available here for reference,—namely, for defendants, *Heap v. Hartley*,⁽¹⁾ *Adams v. North British Railway Company*⁽²⁾; and for plaintiff, *Ihlee v. Henshaw*,⁽³⁾ *Radde v. Norman*,⁽⁴⁾ *Apollinaris Company v. Norrish*,⁽⁵⁾ *Goodfellow v. Prince*.

The Court observed:

"The plaintiffs have misconceived their rights entirely. They are persons who have established the right to what they call an agency from Messrs.

(1) (1889) 42 Ch. D. 461.

(2) (1873) 29 L. T. 367.

(3) (1886) 31 Ch. D. 323.

(4) (1872) L. R. 14 Eq. 348.

(5) (1875) 33 L. T. 242.

(6) (1887) 35 Ch. D. 9.

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Heidsieck & Co. the producers of the well-known champagne, and they say, 'We have a right to prevent any one else selling champagne which is not Heidsieck & Co.'s under a name which is the same or substantially the same as that adopted by Heidsieck & Co.' The plaintiffs put their case in this way. They say, 'We have bought from Heidsieck & Co., under an agreement with them, the exclusive right to sell their champagne in this country and the Colonies, and therefore we shall be damnified if any one else sells champagne in bottles with Heidsieck & Co.'s trade-mark on them.' The plaintiffs do not allege that these trade-marks, or either of them, mean wine sent by Heidsieck to this country to be sold by the plaintiffs exclusively, and that is not the meaning of the trade-marks. I asked the plaintiffs' counsel in what respect their position differs from that of any other purchaser of Heidsieck & Co.'s wine. The answer given was that they have the *exclusive right of sale*. But Heidsieck & Co. only contracted that they would not sell their wine to any one except Richards. If by any means whatever any person in England got Heidsieck's wine, whether he bought it in France, or in Germany, or in England of the plaintiffs, or of any one else, he could not be prevented from selling it: he has a perfect right to do so; it is an article of commerce in which he has a perfect right to deal. The plaintiff's counsel admitted that every purchaser of Heidsieck & Co.'s wine could not maintain an action for such an injunction as is now sought; but it was said that the plaintiffs have, by their bargain with Heidsieck & Co., an exclusive right. But *that only means that Heidsieck & Co. have bargained with the plaintiffs* not to sell wine to any one in this country but them. How can that give the plaintiffs a greater right to sell than any one else? Every other purchaser from Heidsieck & Co. have just as much right to sell as the plaintiffs have. Therefore *the utmost that the bargain gives the plaintiffs is the right to bring an action against Heidsieck & Co. if that firm consigns their wine for sale in this country*. How does that give the plaintiff a right to prevent an infringement of Heidsieck & Co.'s trade-mark or to prevent some one from committing a fraud by selling as Heidsieck & Co.'s wine which is not theirs? In my opinion no such right is given, or intended to be given, to the plaintiffs by the agreement. *There was no assignment of, or agreement to assign the trade-marks 'Monopole' and 'Dry Monopole.'* In fact the agreement does not mention those trade-marks or even speak of them at all, except in an incidental way when it speaks of 'Heidsieck & Co.'s Dry Monopole.' Accordingly I am of opinion that *the agreement does not give the plaintiffs any interest in Heidsieck & Co.'s trade-marks other than, or greater than, or different in any way from that which any purchaser of Heidsieck & Co.'s champagne has*. A purchaser of Heidsieck & Co.'s champagne could not bring an action for infringement of their trade-marks or for fraud in selling as Heidsieck & Co.'s wine that which is not their champagne. How, then, can the plaintiffs be in any better position? Their case is entirely misconceived. In my opinion they have no right to bring an action of this kind, they have *no interest in the trade-marks*, they have no right to restrain a fraudulent use of them, and therefore I must decide this point of law against them with

costs, but I will give them leave to amend their action by making the present owners of the trade-marks plaintiffs."

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Of the authorities in that case cited for the defendants, *Heap v. Hartley*⁽¹⁾ shows that even an exclusive license, unless coupled with a grant, can give the licensee no title to sue in his own name. "It is," said Fry, L.J., "a license to do a thing and a contract not to give leave to anybody else to do the same thing. But it confers, like any other license, no interest or property in the thing." The case of *Adams v. The North British Railway Co.*⁽²⁾ was also cited for the defendants in *Richards v. Butcher*, and was a case in which the patentees and proprietors of a certain invention had constituted one Burlock their general agent to introduce and sell the invention in Great Britain and to grant licenses for the use of the same. And Burlock agreed to give the plaintiff the sole agency and control of the working of the patent in Great Britain and a general power-of-attorney to act, with a percentage of royalties and profits, plaintiff agreeing to push and work the patent vigorously and to manage the manufacture. Lord Selborne, without hearing the defendants, observed that Burlock had no authority to assign the patent, and added: "The bill states merely that he was a general agent to sell the invention and grant licenses, and I am of opinion that those words give only a general power to work the patent in this country. . . . It cannot be said that it gives a right to assign the patent. . . . The clause constituting Burlock an 'agent' does not speak of any interest in the patent. . . . This is a patentee's bill, and it is filed by a man whose only right is against his own principals." This case was apparently taken as showing that a power to sell and grant licenses for the use of an invention, does not amount to an assignment of the patent itself, so as to give a right "to ask either for damages for an infringement or an injunction to restrain infringement in future."

The case of *Ihlee v. Henshaw*,⁽³⁾ cited for the plaintiff in *Richards v. Butcher*, shows that where there has been an assignment of a registered trade-mark the assignee can bring an action to prevent the use of the trade-mark without having registered

(1) (1889) 42 Ch. D. 461.

(2) (1873) 29 L. T. 367.

(3) (1886) 31 Ch. D. 323.

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the assignment. But that case was evidently treated as irrelevant in *Richards v. Butcher*, on the ground that a mere agreement to supply exclusively is not an assignment of the trade-mark.

The case of *Radde v. Norman*,⁽¹⁾ also quoted for plaintiffs in *Richards v. Butcher*, seems at first blush to come much nearer than the others cited to the case of *Richards v. Butcher* and to the present case. For in *Radde v. Norman* the plaintiffs claimed an exclusive right to import kainit under a grant from the Ducal Government of Anhalt. But the distinguishing circumstances in that case were not only that the plaintiffs had an exclusive right of *export* from certain mines so that they had an exclusive right to all kainit from the particular locality of Leopoldshall, but also that they adopted the distinctive name of "Leopoldshall" for the kainit supplied by them. Thus, as appears from the arguments, the issues were, first, whether the word "Leopoldshall" was a trade-mark? and second, have the plaintiffs the exclusive or sole right of selling their kainit in this country? Wickens, V.C., therefore said: "The plaintiffs seem to have established a *prima facie* case to treat 'Leopoldshall' as denoting in the English market the unadulterated article imported by Mr. Radde," and further, "I must treat the case as one in which the plaintiffs have established *prima facie* what I admit to be a very difficult title to establish, a title to the exclusive use of a particular word *as a trade-mark*," though he added that he by no means decided that it would be sufficiently established as against a person who, in ignorance of any claim upon Radde's part, had sold, or offered for sale, raw Leopoldshall kainit, which he had lawfully got into his possession with good reason to believe that it was what he described. In this decision reference was made to the fact that defendants had not attempted to show, or at any rate had not shown, any excuse for using a colourable imitation of plaintiff's trade-mark. The case seems to indicate that the mere exclusive right to sell, within a limited area, would give no right to restrain a person importing and selling the same article within that area, but that where the importer has adopted a trade-mark as a guarantee of importation by him from a specified spot, he is entitled to protection against a person using that mark and

(1) (1872) L. R. 14. Eq. 348.

altogether unable to show importation from such spot. The case is therefore in some respects akin to that of the *Apollinaris Company v. Norrish*,⁽¹⁾ which is relied on by the plaintiff in the present case. It was also relied upon for the plaintiffs in *Richards v. Butcher*, and it is noteworthy that the present Lord Davey appeared for plaintiffs in the *Apollinaris Company v. Norrish* as well as in *Richards v. Butcher*.

The counsel for the plaintiff in this case rely on the case of *Apollinaris Company v. Norrish*, because that was a case in which the plaintiffs had an exclusive right to sell in Great Britain and the Colonies the imported natural water during the existence of their contract with the owners and exporters thereof. The defendants had made an artificial mineral-water, being the chemical equivalent of the natural-water, and they sold it under the name and designation of "London Apollinaris Water, possessing all the properties of the natural water." The head-note to the report of the case, in speaking of plaintiffs' agreement as a *grant*, is apparently misleading. They had, like the plaintiff in the present case, a mere contract for exclusive supply. If the Apollinaris Company had had nothing but that contract to rely upon, then the case would, no doubt, have been on all fours with the present case, and the decision therein would be inconsistent with the decision in *Richards v. Butcher*. But the remarkable point is that the question was never raised in that case whether plaintiffs' interest as a mere consignee for sale, with a contract for exclusive supply, was an interest sufficient to enable them to restrain the defendants. If that point could have been taken, it is difficult to suppose that it would have been overlooked, nor is it probable that if the case were an authority on the point or had touched upon it at all, it would, though cited in argument, have been passed over without comment in *Richards v. Butcher*. But it is to be noted that the counsel for the defendant Norrish did not raise that question. He argued that whether plaintiffs had a monopoly or not of Apollinaris water, they had no right to constitute an old word a *trade-mark*; that in all cases where an injunction had been granted the plaintiffs had been the first

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(1) (1875) 33 L. T. 242.

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introducers of the name and it had acquired celebrity in the market under that new name, and that this was an attempt to set up a monopoly, that is to say by means of a trade-mark. But on turning to the arguments for plaintiffs, the Apollinaris Company, it appears what the real point at issue was. Those arguments rested on the fact, *not* that the Company had "under their contract the sole right of importing and selling the genuine Apollinaris water in England," but that having that right "they had acquired a property in the word 'Apollinaris,' which is a fancy name, and their adoption and application of it to an article in the market *give them the exclusive right to use it.*" In other words it was their trade-mark, and it was as their trade-mark a guarantee and an embodiment of their reputation for the importation of the water by them. It meant that they were the importers, and whatever value it had was due to their reputation as importers. It was thus distinguishable and indeed utterly different from Heidsieck's trade-marks in the case of *Richard v. Butcher*, which did *not* mean wine sent by Heidsieck to be sold by the plaintiffs exclusively, and thus in no way represented the celebrity of the plaintiffs as importers. And therefore Bacon, V.C., in the *Apollinaris Company's* case, after dealing briefly with the question whether the trade-mark was bad as setting up a monopoly, and disposing of it on the ground that "the owner of a spring has the right to sell his water just as he thinks fit," *i.e.* by any name he chooses, said ⁽¹⁾: "They (the plaintiffs) have the exclusive right to the use in Great Britain of the word 'Apollinaris' for the purpose of describing the mineral water so sold by them," and "the plaintiffs are the first persons, or at least are the persons who now have established a particular trade-mark in Apollinaris water," *i.e.* they are entitled to succeed, not by virtue of their private contract, but as *owners of the trade-mark*. "The defendants," it was observed, "have manufactured this artificial water, which may be perfectly lawful for them to do, and they have advertised and sold it under the name of Apollinaris water, which, in my opinion, they have *no* right to do." Reading the judgment as a whole, it is manifest that the plaintiffs were

(1) (1875) 33 L. T. 242.

regarded as indisputably the *owners of the trade-mark*, if the trade-mark were a legitimate one, and it was on the ground of that ownership of the trade-mark, implying that they were the importers, not on the ground that they had an exclusive right by contract to the supply for sale, but that they had an exclusive right to use the word to which *their* reputation as importers attached, that the injunction was granted. Or, as it was stated in the arguments, they, the importers, and *not* their vendors or any one else but the plaintiffs themselves, had acquired a property in the word "Apollinaris." It is manifest that if in the case of *Richards v. Butcher* the trade-marks had meant that the wine was imported by the plaintiffs, then, though it would have been "perfectly lawful" for the defendants to import the same wine if they could and to sell it, yet they would have had no right to use the plaintiffs' trade-mark indicating importation by them.

The case of *Goodfellow v. Prince*⁽¹⁾ was also cited for plaintiffs in *Richards v. Butcher*, apparently with the view of showing that the plaintiff, an importer of wine, sold with a label "LeCourt et Cie," failed in his attempt to restrain defendant from selling wine with the same name on it, merely because the trade-mark was not registered in this country and the trade-name had not been established by sufficient length of user. But on examination of the case it appears that in that instance the plaintiff had "entered into an arrangement with Moigneauxpère et Fils for the supply to him of a particular growth of champagne together with the exclusive right to adopt and use in this country the label "LeCourt et Cie," so that he *was* the owner of the trade-mark and was prevented from instituting proceedings solely by non-registration in England under section 77 of the Trade-marks Act, 1883. The case is thus not on all fours with *Richards v. Butcher*, or with the present case, in which the trade-mark belongs, not to the importer, but to the exporter.

For the plaintiff in the present case the decision in *Ralli v. Fleming*⁽²⁾ has also been relied on apparently with special reference to the head-note, which concludes with the words "*Semble*,—there may be a right to exclusive use of a trade-mark

(1) (1887) 35 Ch. D. 9.

(2) (1878) 3 Cal. 417.

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by traders who are importers only." Such a head-note is of little use if read without reference to the circumstances of the case, the arguments advanced, and the authorities cited and followed or ignored. The facts of that case were as in *Radde v. Norman* and the *Apollinaris Company v. Norrish* and not as in *Richards v. Butcher*. That is to say, "the suit was brought for an injunction to restrain the defendants from using the plaintiffs' trade-mark," not to restrain the defendant from using the trade-mark of a third party, the exporter. The points in issue included the questions whether the plaintiffs were entitled to the exclusive use of the number 2008, and whether such number was "known or recognized in the Calcutta market as indicating that the goods bearing it were imported by the plaintiffs." The defendants denied that it was so known or recognized, and asserted that the number 2008 was regarded by buyers as a mark indicating *quality* and *not as indicating the person or firm importing the goods*, and that the plaintiffs were not manufacturers, but only importers, and had no exclusive right to import such goods. The point for decision was, practically, not whether such principles as were laid down in *Richards v. Butcher* were *correct*, but whether the case was one to which the principles laid down in that case, or the principles laid down in *Radde v. Norman* and *Apollinaris v. Norrish*, would apply. In other words, the issue was whether the plaintiffs used the number 2008 as their *own* trade-mark as a symbol and guarantee of their own importation;—whether it represented their reputation as importers, or the reputation only of the manufacturing exporters. In the former alternative they could sue to protect their own reputation as importers and secure the advantage thereof as in *Radde v. Norman* and in the *Apollinaris case*: while if it were the manufacturing exporter's mark, attracting custom as such, the plaintiffs, obviously on the principles of *Richards v. Butcher*, could have no right to sue. And Garth, C.J., said (page 425): "It must here be borne in mind, and it is, in my opinion, a most material feature in the case, that the number 2008 was a symbol *used exclusively by the plaintiffs and impressed only upon goods which came from their house*. It was not a manufacturer's number, it was a symbol the use and meaning of which was not known to the defendant, and is not

now known to the Court. It was known to the plaintiffs only." And it was manifestly upon this ground that the plaintiffs sought only *to protect the custom* attracted or secured by a mark *indicating only their own position and reputation as importers*, that the suit was maintainable. The Court said (page 426): "The use of these marks upon similar cloth by the defendants would be calculated to deceive the public into the belief that the goods which they were buying were the goods which they had bought for years before *imported and sold by the plaintiffs*." The case therefore establishes the very reverse of the inference which the counsel for plaintiff in this case would deduce from it, as it shows that an importer can only protect a trade-mark representing his own reputation and the advantages accruing therefrom, but not the trade-mark of another, a manufacturer or producer.

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This case of *Ralli v. Fleming* was cited in *Taylor v. Virasami*⁽¹⁾ and in *Barlow v. Gobindram*.⁽²⁾ In *Taylor v. Virasami*, the plaintiff imported "a certain kind of shirting, and, in order to distinguish it, adopted a trade-mark." The head-note of that case is manifestly misleading in stating that "No trader importing goods can lawfully adopt a trade-mark which is calculated to cause his goods to bear in the market the same name as those of a rival trader"—if it means that one importer cannot sell goods under the same trade-mark of the same producer as that under which a rival trader sells his goods. If that were the case, no two traders could ever import or sell goods from the same producer with that producer's trade-mark on them, which would limit each producing exporter to a single customer in each country, a preposterous position which is in no way countenanced by the decision in a case where the trade-mark infringed was described by the Court as "plaintiff's trade-mark" and not as the exporter's at all.

The real question is whether the trade-mark used and sought to be protected by the importer is one employed by him and understood and preferred by the public as indicating importation by the person using it. This is very clearly brought out in the case of *Barlow v. Gobindram*.⁽³⁾ The mark which plaintiffs in

(1) (1882) 6 Mad. 108.

(2) (1897) 24 Cal. 364.

(3) (1897) 24 Cal. 364.

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that case sought to protect was a number 9000, and the question was whether that number indicated importation by the plaintiffs and thus attracted the preference of the public by reason of their reputation as importers. Plaintiffs alleged that they used the number to denote that the cloth which bore the number was of certain *quality*, and imported by them. But the Court observed, page 374: "It is consistent with the evidence that the reputation which the number acquired was a reputation for *quality* only. It does not necessarily follow that the purchasing public showed a preference for the goods because the plaintiffs imported them, or that the number as understood by the public represented that the goods were in fact imported by the plaintiffs." The plaintiffs in fact used other numbers which acquired but little reputation, though the cloth was the same and the importers the same, and the Court said (page 375): "It seems therefore reasonable to infer that any reputation the number 9000 acquired must have been independent of any association between the number and the plaintiffs as the importers in the minds of the purchasers." Again, a witness is referred to as having nowhere said that "the general reputation of the number 9000 in the market informs the purchaser that the cloth is plaintiffs," while on *some* cloth the name of the firm was written and on others there was the ticket showing who the importers are—facts "it is obvious which would inform the purchaser who the importer was, apart altogether from the number used on the cloth." Therefore the Court held (page 376) it would be unduly straining the evidence against the defendants to infer from it that the defendants were actuated by a desire to pass off their goods as goods imported by the plaintiffs.

The corollary from this case is that importers can only protect marks indicating importation by them. If their importation is not indicated by the marks but otherwise, as for instance by the style and name under which they trade as importers, they could not sue to restrain the use of the marks and (in the instance supposed) could only sue if *their trade-name* and style were deceitfully assumed by a rival. In the present instance it is not alleged either that any trade-marks indicating importation by Mr. Heiniger were imitated by the defendants, or that the

defendants used or imitated the style or name under which he trades as an importer. A trade-mark which represents, not the importer's reputation, but the manufacturer's, must therefore be under the control and protection of the latter, not of the former.

An interesting case bearing on the relative rights of producer and importer *inter se* in a trade-mark put on goods consigned to India at the instance of the Indian importer is *Re Riviere's trade-mark* ⁽¹⁾ as showing how much of a trade-mark in such cases belongs to the importer. The case does not bear so closely upon the question now at issue as to require detailed discussion here, and it suffices to note that its result seems to show that the producer is the owner of so much of the trade-mark assigned for the time being to the importer as previous to that agreement belonged to the producer, and therefore the registration of that part of the trade-mark in England furnished no legal grievance to the importer, where such additional part of the mark as indicated the importer's name, and asserted and protected his local reputation, had not been offered by the producer for registration. Thus it seems the importer can only claim so much of a trade-mark as represents his own reputation as importer and is not in the legal sense aggrieved at any use of the trade-mark which belongs not to himself but to the producer.

Lavergne v. Hooper ⁽²⁾ deals with the same question as between foreign producer and Indian importer. The plaintiffs in that case alleged that they had used the trade-mark in question for brandies exported by them to a certain firm which had since *ceased to exist*; that subsequently defendants *selected* that label or trade-mark for brandies imported by them from plaintiffs engaging to sell no other brandies under that mark than such as were procured from plaintiffs, and had broken the contract by selling under the trade-mark brandies imported from other firms, and thus had infringed plaintiffs' trade-mark. The defendants denied plaintiffs' property in the trade-mark when introduced into India, alleged that they (defendants) had previously imported under the trade-mark, that it closely resembled but was not identical with one formerly used in the English market by plaintiffs but abandoned by plaintiffs, and that it had been

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(1) (1885) 53 L. T. 237.

(2) (1884) 8 Mad. 149.

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adopted by defendants, this right to the exclusive use thereof having been recognized by the plaintiffs without any contract to sell no brandies except plaintiffs' under that mark. "Seeing that the name entered on the label as that of the exporter was a fancy name, while that of the importer was the true style of the firm, it appears to us," said the Court (page 159), "to be a fair inference that the mark was intended to be the *special trade-mark of the importer* and not of the exporter." And the Court held that plaintiffs had either abandoned their own original mark or had estopped themselves from denying the right of the defendants' firm to adopt it, having in terms admitted it to be defendants' property. The defendants' firm "did not understand that its property in the trade-mark was conditional on its accepting a contract that only plaintiffs' goods should bear the mark," and plaintiffs, in correspondence with defendants, had referred to the label and brand as "your label" and "your property."

The importance of the bearing which this decision has on the present case lies in the fact that Messrs. Wille Schmidt have in no sense abandoned to plaintiff their right in the trade-mark registered by that Swiss firm, but as the evidence of plaintiff and of Haji Mahomed shows, retain that mark and no other in use for sale of their Roskopf watches in England and elsewhere. There has been no appropriation or assignment of the mark or any part thereof to plaintiff as importer.

The case of *Hirsch v. Jonas*⁽¹⁾ shows that when the label merely represents that the goods are the manufacturer's production, it does not belong, in the absence of contract, to the importer, even though he suggested it, but to the manufacturer. Jessel, M.R., said (page 586): "I can understand a man saying 'I am not the actual manufacturer of goods, but the selector of goods, and my reputation for cleverness and selection is so great, that goods marked with a mark to show that they had been selected and approved of by me will fetch a higher price in the market.' If Hirsch" (plaintiff) "had put on the box. . . 'Selected by Hirsch,' he might have had a case to prevent other people imitating that. It would show that the cigars selected were approved of by him.

(1) (1876) 3 Ch. D. 584.

If he got a great reputation in that way, I can understand he would have a right of protection for that which indicates to the public that the goods (cigars) are selected and approved of by him. That is not his case. There is nothing on the boxes to show anything about Hirsch at all." It was held he had no case whatever. That case was precisely on all fours with the present except that the plaintiff in that case had no contract for exclusive local supply—a detail which *Richards v. Butcher* shows is quite immaterial when the trade mark is the manufacturer's and indicates his reputation alone.

Robinson v. Finlay⁽¹⁾ may also be usefully referred to in this connection as showing that where manufacturer, shipping agent and importer have adopted a combination indicative of the interest of each, no one of them could claim to be entitled exclusively as against the others to that design when the adventure is put an end to, and the case of *In re Jones* cited by Sebastian on the Law of Trade-Marks at page 185 (Edition of 1899) shows that a contract, that after the adventure came to an end each party should be entitled to use and register such marks, could not have been enforced, since the result would have been to deceive the public. This leads to the important inference that a man cannot claim the exclusive right to use, or, what is the same thing, prevent anybody else from using a trade-mark which does not represent his own reputation but somebody else's. The foundation of the principle apparently is that referred to by Lord Herschell in *Reddaway v. Bankam*,⁽²⁾ as laid down in *Croft v. Day*⁽³⁾ by Lord Langdale, and in *Leather Cloth Company v. American Leather Cloth Company*⁽⁴⁾ by Lord Kingsdown, when the doctrine of Lord Westbury in *Hall v. Barrows*⁽⁵⁾ and in the *Leather Cloth Company case*⁽⁶⁾ that "the jurisdiction of the Courts in the protection given to trade-marks rests upon property" was called in question, and "the fundamental rule" was declared to be "that one man has no right to put off his goods for sale as the goods of a rival trader, and he cannot therefore be allowed to use names, marks, letters, or other indicia, by which he may induce purchasers to

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(1) (1878) 9 Ch. D. 487.

(4) (1865) 11 H. L. C. 538.

(2) (1896) App. Ca. 199 at pp. 209.

(5) (1863) 33 L. J. Ch. 204.

(3) (1843) 7 Beav. 84.

(6) (1863) 33 L. J. Ch. 199, pp. 200-201.

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believe that the goods which he is selling are the manufacture of another person." This distinction was said by Wood, V.C., in *M'Andrew v. Bassett*⁽¹⁾ to be "a mere question of nomenclature," and he speaks of the right to a trade-mark as "the right of the plaintiff who comes for assistance to protect himself against fraud by others using that which he has appropriated as designating his goods, and so palming off, upon the public, goods made by them as goods made by him." Thus the tendency of the later rulings seems to point to the right to exclusive use and protection as arising not from the property in the trade-mark so much as from the wrong to the public from the misleading and deceiving the public or purchasers, and the right to such redress for such a tort as can only be claimed by a person to whom it causes special damage. But from either point of view, whether the manufacturer's right to protect his trade-mark be based on his property therein, or whether he is entitled to redress only because the public is misled and he suffers thereby special damage, it is clear that he alone is entitled to the exclusive use, that he and no one else can claim or protect that special use, and that no use or claim to the exclusive use by anybody else could be allowed, not merely on his account, but because it would be an injury to the public. And thus Underhill in his work on Tort, citing *Leather Cloth Company* and *Richards v. Butcher*, says that "Although a trader may have a property in a trade-mark sufficient to give him a right to exclude all others from using it, yet if his goods derive their increased value from the personal skill or ability of the adopter of the trade-mark, he will not be allowed to assign it, for that would be a fraud upon the public, though a trade-mark not dependent for its value upon such personal merits may be assignable—*Bury v. Bedford*⁽²⁾—along with the goodwill of the business to which it belongs, but not apart from that goodwill—(46 and 47 Vic., c. 57, section 70.)" (See also Sebastian on Trade-Marks (Ed. 1899), pages 91, 99). And so *In re Apollinaris Company's Trade-marks* case⁽³⁾ ruled that an importer of foreign goods cannot register as his own a trade-mark of the foreign producer, whether the goods are produced by a

(1) (1864) 33 L. J. Ch. 561, pp. 563.

(2) (1864) 33 L. J. Ch. 465.

(3) (1891) 2 Ch. 186.

course of manufacture or by a process of nature, nor whether the importer has or has not an exclusive contract for this country (*i.e.* Great Britain), nor whether the producer does or does not consent to the registration. The reasons clearly are twofold: first, that if an importer (in this case for instance, if Mr. Heiniger) could claim the trade-mark of the producer (in this instance Messrs. Wille Schmidt), it would follow that the importer (Mr. Heiniger) could not only prevent any one else from selling what he had lawfully purchased elsewhere as the manufacture of the producer (Messrs. Wille Schmidt & Co.), but further the importer (Mr. Heiniger), having the right to the trade-mark, might place it on any goods manufactured by himself or any one else, and thus the public, relying on the trade-mark as a guarantee of the manufacture by the foreign producer, would be misled. It is evidently on these grounds that an importer cannot claim the exclusive use of a trade-mark not his own, and therefore cannot restrain an infringement thereof. Secondly, it is manifest that if the producer assign to one importer the exclusive right to use his trade-mark, without also assigning to him the entire output, past, present and future, a fraud would be practised on other purchasers from the producer who would be prevented from disposing of what they had purchased from the producer as goods guaranteed to be of his manufacture. And thus other persons, whom the producer himself could not restrain, would be restrainable by his assignee. But Fry, L.J., was careful (*In re Apollinaris Company's trade-marks*) to observe (page 226):

“We are not concerned here with a case in which an importer may use the mark of a manufacturer with an addition indicative of the goods having been imported by him: but the mark of a manufacturer pure and simple cannot rightly be assumed by an importer from that manufacturer, or by a person who buys from that manufacturer, unless indeed where all the goods of the manufacturer go to that importer or that dealer. If they did not, other goods of the manufacturer might reach the hands of other dealers, who might justly affix to them the manufacturer's mark. . . . If Saxlehner's (the foreign producer's) assent would justify the registration, it would follow that a manufacturer in Paris, using a trade-mark well known in England, could allow A to register it as his trade-mark and thereby prevent B and C, who bought from the Paris maker, from selling in England.”

That is precisely the case in the present instance, if for registration be substituted the equivalent in India, namely the

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exclusive right to use a trade-mark. And it may be further observed that in the case just quoted, Fry, L.J., specially referred (page 228) to the case of *Apollinaris Company v. Norrish* as one in which there was a doubt, unnecessary to discuss, as to its being traceable to the trade-marks; and reference was also made (page 232) to other cases in which "the presence of these marks had been used to hamper the trade in such waters." The further remarks (at pages 230 and 231) show that even had the importers subsequently become full owners of the entire output, registration and therefore exclusive use and right to restrain, could not validly be claimed by the importer as a matter to which he had been entitled at a time when he had a lesser right.

But the plaintiff does not in this case claim to have an exclusive right to the entire output, past, present and future of Messrs. Wille Schmidt's Roskopf watches. Nor does he ever allege that he has obtained or contemplates obtaining the trade-mark which represents their celebrity as makers thereof. He is a bare importer among other possible importers of watches of a certain make. The watches he actually buys are his, but not the trade-mark or the reputation it betokens. His reputation as an importer is not indicated or protected by anything in the marks alleged to be infringed. For a producer to affix at the importer's request a label designated by the importer and denoting only the importer's reputation as a selector or importer is of course a very different thing from an assignment by the producer of his own mark to the importer. The latter would be invalid as misleading the public with regard to the producer: the former would be allowable as stating only the true facts as to selection and importation.

But in the present case plaintiff has no mark as importer and claims the mark of the producer. He has left in the hands of Messrs. Wille Schmidt both the responsibility for the protection of that mark and the power to protect, and has only a right on his contract *in personam* against Wille Schmidt, if the benefits which he expected to derive from that contract are not realized. What are the benefits he is entitled to must depend on the contract, not on the advantages of a reputation which he does not, and could not, claim for himself, and which therefore he could not protect as against third parties. His own reputation

as importer he has not relied on as the attraction to the public, for the trade-mark does not indicate that, and it has not been attacked. If he desire to rely upon that source of attraction, he can certainly by an additional trade-mark assert it and then can protect it against imitators. But he cannot allege that imitations of another person's trade-mark, however immoral or unlawful, give him a right to sue. It may be there is a fraud upon the public, but as observed by the Lord Chancellor in *Webster v. Webster*,⁽¹⁾ "The fraud upon the public is no ground for the plaintiff's coming into Court" (see also Lord Westbury in *Leather Cloth Company v. American Leather Cloth Company*⁽²⁾). Till the passing of the Exhibition Medals Act, 1865 (26 and 27 Vict. c. 119), *vide* section 2, a false representation by a trader that he had obtained a medal gave no right to proceed to any one who could not prove damage therefrom to his own trade-mark;⁽³⁾ nor can a fraud upon another person give a right of action to one who has nothing more than a contract with such other person. It may be that the defendants have attempted to palm off the goods in question as if they were goods manufactured by Wille Schmidt, but it is not alleged that they have attempted to palm them off as goods imported by the plaintiff. Plaintiff has a right to sell what he has imported as goods imported by himself, and can, as already observed, protect that right by an additional trade-mark indicating such importation if he thinks it the source of attraction and value. But the exclusive right to use Wille Schmidt's trade-mark is not his. He admits that it is not, and that is under the control and protection of the Swiss firm. If that firm is unable or unwilling to protect it adequately, or to the extent that plaintiff desires, the plaintiff may have his remedy against them. It is of course conceivable, from anything that appears from the record in this case, that Wille Schmidt might find themselves embarrassed by relations and circumstances affecting them in asserting an exclusive right to their trade-mark. And the plaintiff cannot, on the one hand, be allowed to jeopardise that right by assuming its protection, or, on the other, to avail himself of it unburdened by such restrictions as may exist to prevent the owner of it from

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(1) (1791) 3 Swanston, 490 note.

(2) (1863) 33 L. J. Ch. at p. 200.

(3) *Batty v. Hill* (1863) 1 H. & M. 264.

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moving further in the matter. The existence of such conceivable difficulties cannot be discussed in this case. They would be irrelevant: and indeed the plaintiff's counsel has objected on that ground to some evidence, such as the recent registration by Messrs. Gräber of a trade-mark including the word "Horoscope" and a suit relating to the use of the word "patent" which it might be most material to consider in connection with the right of Messrs. Wille Schmidt to the trade-mark alleged to be theirs. Moreover, the present claim of the plaintiff to exclude all watches bearing the Roskopf mark from the Indian market, may be, and presumably is, in excess of any right which the owners of that mark themselves could set up in respect of consignments obtained indirectly from former purchasers in other countries. From these and other points of view it appears that the plaintiff has unfortunately misunderstood his position and rights and that he cannot in his own name successfully maintain this suit. The decision on the first two issues must therefore be in the negative.

On the third issue, it is clear that the defendants have not attempted to pass off any watches as imported by the plaintiff, as plaintiff had not indicated such importation in the trade-mark alleged to have been imitated, and no assumption by defendant of his name and style of trading is alleged. The fourth and fifth issues it is unnecessary and inappropriate to discuss at this stage as they could not be definitively decided in the suit as constituted.

It remains to consider, however, certain contentions raised as to the procedure that should now be taken. These are (briefly stated) that under section 32 of the Code of Civil Procedure the name of any person who ought to have been joined may at any time be added; that under section 27, when a suit has been instituted in the name of the wrong person as plaintiff, or when it is doubtful whether it has been instituted in the name of the right plaintiff, the Court may at any stage if satisfied that the suit has been so commenced through a *bona fide* mistake, and that it is necessary for the determination of the real matter in dispute so to do, order any other person... with his... consent, to be added or substituted as plaintiff and upon such terms as the Court thinks just: that under section 34 all objections for want of parties or for joinder of parties who have no interest in the suit

or for misjoinder shall be taken at the earliest possible opportunity and in all cases before the first hearing, and any such objection not so taken shall be deemed to have been waived by the defendant, and lastly, that under section 136 the defendant, having failed to comply with an order under Chapter X for discovery and inspection, is liable to have his defence struck out and to be placed in the same position as if he had not appeared and answered.

The first of these contentions under section 32 seems untenable and was not much pressed. The plaintiff had no cause of action or ground of action whatever and this defect could not be remedied as far as his suit was concerned by any joinder of parties. What was necessary was not joinder, but substitution, and with substitution section 32 does not deal. Section 27 is no doubt more in point, as it authorises substitution at any stage with the consent of the person substituted. Mr. Raikes for the defendants anticipated these contentions by citing *Bhanu Tukaram Shet v. Kashinath*,⁽¹⁾ *Sayed Abdul Huk v. Gulam Jilani*,⁽²⁾ *Walcott v. Lyons*,⁽³⁾ as to costs if such application be allowed, and *Ayscough v. Bullar*.⁽⁴⁾

Mr. Robertson, on the other hand, relies on *Richards v. Butcher*, where substitution was allowed, *Radde v. Norman*,⁽⁵⁾ *Ravji v. Mahadev*,⁽⁶⁾ and *Subodini Debi v. Cumar Ganoda*.⁽⁷⁾

The case of *Bhanu v. Kashinath* treats of joinder under section 32 and is therefore not precisely in point. The case of *Sayed Abdul Huk v. Gulam* would be more relevant, as the application of defendant to be joined as plaintiff was urged under section 27 as well as under sections 31 and 32, but that the reason for not granting his application was that he had parted with all his rights. The case of *Walcott v. Lyons* was decided under the English Order XVIII., the words of which (quoted at page 586 of the report) refer to joinder. But the ground of the decision was that the plaintiff having impeached as a breach of trust an investment made at his request, the question in the case was

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(1) (1895) 20 Bom. 537.

(4) (1889) 41 Ch. D. 341.

(2) (1895) 20 Bom. 677.

(5) (1872) L. R. 14 Eq. 348, 356.

(3) (1885) 29 Ch. D. 534.

(6) (1897) 22 Bom. 672.

(7) (1887) 14 Cal. 400.

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whether there had been any breach of trust of which the plaintiff had a right to complain, and that for the decision of that question the joinder of the plaintiff's son, who had a contingent interest, was not necessary. Bowen, L.J., however, dissented in *Ayscough v. Bullar*, the order allowing amendment and joinder was made under order xvi. rule 2 (quoted at page 342 of the report, footnote) which corresponds in wording with section 27 of the Code of Civil Procedure. - The amendment was allowed because the original plaintiff proved to have derived her title from the defendant against whom she sought to enforce a covenant entered into by him with the vendor of the added plaintiff. But it is to be noted that the Court allowed the amendment and joinder because the real matter in dispute, for the determination of which it was necessary to order the addition of a plaintiff, was the true meaning and construction of the covenant and whether it was intended for the common benefit of the houses owned by both the original and the added plaintiff (*vide* page 342 stating the facts). The act done by the defendant was injurious to both, and the only question was which was the right plaintiff. Now, under section 27 of the Code of Civil Procedure, the same essential is required, *viz.* that the order for substitution or addition should be necessary for the determination of the real matter in dispute. There can be little doubt in the present case that the suit has been instituted *bona fide* by the present plaintiff, and the only question that remains is whether the real matter in dispute between the present plaintiff and the defendants is the matter which renders the substitution of Messrs. Wille Schmidt and Co. for the present plaintiff necessary. And on this point there seems to be considerable room for doubt. For, in the present form of the suit, the allegation is that the defendants have imitated the *importer's* trade-mark, the exclusive right to use which in this country is alleged to have been established. That allegation would, if substantiated, prevent the imitation of the mark, entirely irrespective of any rights attaching to the manufacturer's trade-mark, and therefore also irrespective of any limitations that might affect and restrict the manufacturer's right to his trade-mark. Protection might be claimable for the mark if it were the importer's and indicated only selection and

importation by him. But if the mark is the manufacturer's, other questions must necessarily arise for determination connected with the extent of the manufacturer's right to adopt and protect it in the country of its origin and consequently in all possible markets in which it may be introduced. Thus the real matter in dispute in the suit, as instituted, was a claim to different rights from those which would render necessary a suit by a producer and the substitution of his name for plaintiff's. This the present plaintiff has himself unconsciously demonstrated by objecting to the relevancy of evidence against himself as to the producer's right to use the word "patent" and as to the final result of his contest with Messrs. Gräber, a rival manufacturer, in relation to the latter's right to use the word "Horoscope."

This does not appear to be a case therefore in which the rights claimed and in dispute are the same as those which would be in dispute between defendant and the plaintiff whom it is proposed to substitute. The two plaintiffs would have different contentions to meet. Those objected to as irrelevant by the present plaintiff as to the nature of *his* right would be most material in the case of the substituted plaintiff. It would therefore seem that the case of *Ravji v. Mahadev*,⁽¹⁾ cited for plaintiff, is inapplicable in the present instance. For in that case the original plaintiff had sued to establish, by virtue of a benami purchase, rights which he professed to be precisely those of the plaintiff to be substituted. But here the plaintiff has asked for an adjudication on his rights as importer, and not on the rights which Messrs. Wille Schmidt may or may not have as against Messrs. Gräber and all other producers. The plaintiff has not alleged that his rights are derived solely from and are identical with those of Messrs. Wille Schmidt, but has, on the contrary, resisted attempts by defendants based on the identity of plaintiff's rights with those of the producer. The case of *Subodini Debi v. Cumar Ganoda*,⁽²⁾ also cited for plaintiff, seems for the same reasons inapplicable, for there the plaintiff claimed only precisely the same rights as his employers who were substituted for him. The case of *Radde v. Norman* does not appear

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to be in any way relevant on this point. It is true that the agent of the owner of the trade-mark claimed was one of the plaintiffs, but the owner himself was also *an owner* and there was no question of substitution. The case of *Richards v. Butcher* seems also inapplicable for similar reasons. For, there not only was the point raised (*vide supra*) when the proceedings were by way of demurrer, but the statement of claim alleged that the plaintiffs were agents of the proprietors of the trade-mark and did not allege an infringement of their *own* trade-mark, so that they identified their rights from the outset with the rights of their principals which they sought to protect as their sole agents. If the plaintiff had in the first instance abstained from describing the mark as his, and thereafter abstained from objecting to the relevancy of evidence which was material against the owners of the mark, the case would no doubt have been different.

But even apart from the question whether under section 27 the Court would have had power to order the substitution for plaintiff of Messrs. Wille Schmidt & Co., the case having been conducted up to the end by the plaintiff on lines which necessarily involved the exclusion of evidence bearing on the producer's rights and liabilities, does not seem to be one in which the substitution should in the exercise of a sound discretion be ordered. For there would be no substantial advantage in such an order at this stage. The defendants might, for anything that appears in this case, require such discovery, inspection and production of documents and other matters in a suit to which Messrs. Wille Schmidt would be parties, as could not have been required or would have been resisted in this case and the whole matter would practically have to be tried *de novo*. It is of course open to Messrs. Wille Schmidt & Co. to institute proceedings on the morrow of this decision, if so advised, and they will then have an opportunity of meeting the whole of the objections that can be urged against the rights they claim. Mr. Robertson stated at the end of the case that the plaintiff was in possession of a power-of-attorney authorising him to take proceedings on behalf of Messrs. Wille Schmidt in respect of the trade-mark, and the power was handed up for inspection by the Court. But it was not admitted by the other side that the power was sufficient. The questions that would arise, in determining its

sufficiency, could hardly have been discussed so long after the close of the plaintiff's case, and, if the plaintiff has really been in possession throughout of a power to sue in the owner's name, he is hardly entitled to assert it at the last moment when he might have exercised the power from the outset and thus removed the objections he has urged to the relevancy of evidence which would affect his principal.

Mr. Robertson has urged that under section 34 the objection of defendants to plaintiff's suing must be held to have been waived. But section 34 refers to objections for want of parties or joinder or misjoinder, and not to objections on the ground of want of a cause of action or right of suit in the plaintiff which may not be disclosed until the case has been proceeded with and evidence has been taken. The plaintiff in his plaint in this suit described the mark as his own, and it was not apparent from the outset that it was in no sense indicative of selection or importation by him, and that it was not his property. The objection therefore could not have been waived by the defendants. The plaintiff has unfortunately claimed some one else's trade-mark as his own, and asked relief on that basis, and the defect was in his title, and not merely in the omission to add the real owner whose interest entirely excluded his own.

The last contention for plaintiff is that the defendants should have their defence struck out, under section 136, for failure to comply with the order under Chapter X of the Civil Procedure Code. But it seemed to the Court that the defendant examined in the case, Mr. Amotritz, being a foreigner, was entitled to have some allowance made for failure fully to understand the effect and extent of the requisition made. The question raised when the first order for a supplemental affidavit was given, related to correspondence between his firm and Messrs. Gräber, and his attention had not in any way been directed by the cross-examination up to that point to any other correspondence as required for discovery, inspection and production, and in any case the other defendant, Mr. Droz, was no party to the failure of Amotritz to comply. But it appeared to the Court more probable that there was a failure to understand rather than a failure to comply, the defendant on fully realising what was required,

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having put no difficulties in the way of immediate discovery and inspection.

The only question that now remains for consideration is the question of costs. The defendants' counsel claims that the suit should be dismissed with costs and this in ordinary circumstances would have been the result of the plaintiff's error. But it is manifest that the mistake made by the plaintiff was a perfectly *bond fide* one: the right of an importer to sue on the manufacturer's trade-mark appears never to have come under consideration of the Courts in India before—suits by importers in India having generally been of the nature of that in the *Badische Aniline &c. Fabrik v. Maneckji*.⁽¹⁾ The plaintiff attempted no *suggestio falsi* or *suppressio veri* in his plaint or in his deposition. His conduct throughout has been open, straightforward and honourable, and it is only an evidently *bond fide* mistake as to a somewhat difficult point of law with regard to the respective rights of the producer and the importer that has rendered his suit so imperfect in its constitution as to be unsustainable. The defendants, on the other hand, instead of making that ground a preliminary objection, have referred to the trade-mark in their written statement as the plaintiff's: they have denied every allegation of fact contained in the plaint, and even gone so far as to deny their own knowledge of facts which their own correspondence shows had been anxiously discussed by them—*vide* Exhibits A-9 to A-16 and especially Exhibit A-13. And instead of straightforwardly disclosing the more or less technical objections to plaintiff's suit as brought, and thus avoiding the accumulation of costs which these protracted proceedings have entailed, they have unnecessarily and it seemed to the Court wantonly spun out the case by futile contentions as to microscopical differences between the plaintiff's trade-mark and that which they have used. Without any desire to prejudge in any way the ultimate decision to be arrived at in a suit properly constituted as to the similarity of the trade-mark in this case, it seems, in connection with defendant's responsibility for the length of this proceeding, necessary to remark that it is only wasting the time of a Court to contend that such a question

(1) (1893) 17 Bom. 584.

can be decided by considering distributively the minute details of two combinations, irrespective of the result of the whole. And this is more particularly the case when the trade-marks are so small as to lie between the figure XII on the dial and the hands of the watch. This consideration was noted by Lord Cranworth in *Leather Cloth Company v. American Leather Cloth Company*,⁽¹⁾ where he said with reference to the size of a trade-mark : " I mention this because, if instead of occupying the large space, the whole had been engraved on a stamp of the size of a sixpence or a shilling so as not to be capable of being read without the aid of a magnifying glass, or even without close examination, the case would have been different. A person purchasing leather cloth so stamped might fairly say : ' I did not attempt to decipher what was stamped on the article which I bought. I saw it had on it what appeared to be and what I could not discover not to be the plaintiff's stamp and I therefore took it for granted that it was the produce of the manufactory.' " It is idle and vexatious to base a defence in a suit as to the resemblance between trade-marks, on the substitution of minute arrowheads for minute asterisks, or of a stelliform combination of indistinguishable symbols for an ordinary star, in a device which might be covered by a two-anna piece. The salient points of the device which would impress a purchaser are the faint red concentric circles, the centre with the starlike pattern on a dark back ground, and the actual name of the watch. And these salient features the defendants have not denied to be common to both watches, but they have nevertheless produced nearly twenty watches which have none of these salient points in combination, and protracted the proceedings by minute examination as to isolated points of resemblance between them and the plaintiff's trade-mark. The defendant examined in the case was eminently unsatisfactory both in his demeanour and in the substance of his deposition, reluctant and contentious under cross-examination, eager and forward in his answers to his own counsel. It was impossible to regard as otherwise than disingenuous his professed inability to discover a greater resemblance between the Horoscope and the Roskopf watches than between the latter and the Necco No. 8, the Bollo No. 7. The denial of all knowledge

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(1) (1865) 11 H. L. C. 523 at p. 536.

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of admissions damaging to his case and of facts which were indubitably within his knowledge was still more unmistakably disingenuous, and as it is clear that if, instead of protracting the case by prevarications and unjustifiable contentions, he had in his written statements, or unmistakably at an early stage in the suit, disclosed his intention of impugning plaintiff's interest in a trade-mark referred to in the pleadings of both parties as the plaintiff's, the case would have been disposed of or reconstituted either without an appearance of either party or at least the costs of these protracted proceedings would have been almost entirely, if not altogether, avoided.

Under these circumstances, in dismissing the plaintiff's suit, no order is made as to costs.

Suit dismissed.

Attorneys for plaintiff:—*Messrs. Bicknell, Merwanji and Motilal.*

Attorneys for defendants:—*Messrs. Smetham, Bland & Noble.*

APPELLATE CIVIL.

Before Mr. Justice Ranade and Mr. Justice Crowe.

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BAI JADAV AND OTHERS (ORIGINAL DEFENDANTS NOS. 1 TO 3),
APPELLANTS, v. NARSILAL AND ANOTHER (ORIGINAL PLAINTIFFS),
RESPONDENTS.*

Vatan—Vatan in Guzerat—Service commutation settlement—Inheritance—Succession to a vatan—Succession through females—Bombay Act III of 1874, section 5, as amended by sections 1 and 2 of Bombay Act V of 1886—Alienation of vatan.

A *vatan* in Guzerat does not cease to be *vatan* property as defined by section 4 of Bombay Act III of 1874, merely because a service commutation settlement has been effected. Such a settlement does not change the nature of the property simply because service is not demanded.

As far as the power of alienation is concerned, if it is granted by the settlement, it cannot be taken away by the change introduced in section 5 of Bombay Act III of 1874 by section 1 of Bombay Act V of 1886.

Section 2 of Act V of 1886 (which amends section 5 of Act III of 1874) gives a preference to male members of the *vatan* family over persons claiming through females.

* Second Appeals Nos. 192 and 234 of 1900.