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Exide vs Exide: Battery maker secures exclusive rights over brand from US rival

Following a long drawn legal battle that had reached the Supreme Court, Exide Industries has gone for out-of-the-court settlement with global battery major Exide Technologies Inc that would prevent the US company from using brand Exide in India.

"The company was in discussion with the Exide Technologies US for an out-of-court settlement to amicably resolve the long-standing dispute. Based on the discussions, the company has entered into a settlement agreement with Exide Technologies on May 19 whereby the US company, subject to fulfilment of conditions therein, shall forever waive any right or claim to the ownership and use of Exide mark in India," Exide Industries said in a disclosure to the exchanges.

While Rajan Raheja group-owned Exide has been making and selling batteries under the brand for years, making it the largest storage battery brand for automobiles in India, it had earlier failed to prove that Exide Technologies, which owns the brand in several other countries, was illegally trying to use it in India.

"This court holds that the Exide US did not infringe the mark, or attempt to pass off a mark over which they had no right. Their use of the word Exide was, in the circumstances both bona fide and legitimately concurrent. Furthermore, they had, by reason of the transnational reputation pleaded and proved, right to use it in India," a Delhi High Court ruling of 2016 on a case filed by Exide Technologies said.

The reason behind Exide Technologies trying to claim the right to the brand was to do with its other brand Prestolite, which was once being sold and marketed by its Indian subsidiary Tudor India.

"Exide US proposed the use of the mark Prestolite to market its products in India. The injunction sought by Exide India was to prevent them from using anything describing the origin, or their link with Exide US's corporate name and the fact that Prestolite has links with Exide. The documentary evidence overwhelmingly points to Exide US's predecessors using the mark, in an unbroken manner in India for nearly half a decade," the same ruling said.

Exide Industries, however, claimed that the earliest registration of the mark Exide happened in 1942 and by an agreement of 1978 made between Chloride Group and Exide India, Chloride Group plc had agreed to assign and transfer the trademark Exide to the Indian company.

That said, there is now little chance of the Indian company facing any kind of competition from Prestolite.

"Prestolite's plant at Sabarkantha in Gujarat has remained closed for several years and with the poor financial health of the US parent, there is little a chance of it reopening," sources said.

Exide Industries also said in the disclosure that the litigation is still pending before the Supreme Court.

However, with both the parties entering into a settlement on undisclosed terms, the case is likely to get withdrawn.

...& ANALYSIS

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- With both the parties entering into a settlement, the case may get withdrawn