TRADEMARKS LAW IN INDIA – EVERYTHING YOU MUST KNOW

India’s obligations under the TRIPS Agreement for protection of trademarks, inter alia, include protection to distinguishing marks, recognition of service marks, indefinite periodical renewal of registration, abolition of compulsory licensing of trademarks, etc.

With the globalization of trade, brand names, trade names, marks, etc. have attained an immense value that require uniform minimum standards of protection and efficient procedures for enforcement as were recognised under the TRIPS. In view of the same, extensive review and consequential amendment of the old Indian Trade and Merchandise Marks Act, 1958 was carried out and the new Trade Marks Act, 1999 was enacted. The said Act of 1999, with subsequent amendments, conforms to the TRIPS and is in accordance with the international systems and practices.

The Trade Marks Act provides, inter alia, for registration of service marks, filing of multiclass applications, increasing the term of registration of a trademark to ten years as well as recognition of the concept of well-known marks, etc. The Indian judiciary has been proactive in the protection of trademarks, and it has extended the protection under the trademarks law to Domain Names as demonstrated in landmark cases of Tata Sons Ltd. v. Manu Kosuri & Ors, [90 (2001) DLT 659] and Yahoo Inc. v. Akash Arora [1999 PTC 201].

India, being a common law country, follows not only the codified law, but also common law principles, and as such provides for infringement as well as passing off actions against violation
of trademarks. Section 135 of the Trade Marks Act recognises both infringement as well as passing off actions.

**Well-known Trademark and Trans Border Reputation**

India recognises the concept of the “Well-known Trademark” and the “Principle of Trans Border Reputation”. A well-known Trademark in relation to any goods or services means a mark that has become so to the substantial segment of the public, which uses such goods or receives such services such that the use of such a mark in relation to other goods and services is likely to be taken as indicating a connection between the two marks.

Trans Border Reputation concept was recognised and discussed by the Apex Indian Court in the landmark case of N. R. Dongre v. Whirlpool (1996) 5SCC 714. The Trademark “WHIRLPOOL” was held to have acquired reputation and goodwill in India. The Mark “WHIRLPOOL” was also held to have become associated in the minds of the public with Whirlpool Corporation on account of circulation of the advertisements in the magazines despite no evidence of actual sale. Hence, the trademark WHIRLPOOL was held to have acquired trans-border reputation which enjoys protection in India, irrespective of its actual user or registration in India.

**Legal Remedies against Infringement and/or Passing off**

Under the Trade Marks Act, both civil and criminal remedies are simultaneously available against infringement and passing off.

**Infringement** of trademark is violation of the exclusive rights granted to the registered proprietor of the trademark to use the same. A trademark is said to be infringed by a person, who, not being a permitted user, uses an identical/ similar/ deceptively similar mark to the registered trademark without the authorization of the registered proprietor of the trademark. However, it is pertinent to note that the Indian trademark law protects the vested rights of a prior user against a registered proprietor which is based on common law principles.

**Passing off** is a common law tort used to enforce unregistered trademark rights. Passing off essentially occurs where the reputation in the trademark of party A is misappropriated by party
B, such that party B misrepresents as being the owner of the trademark or having some affiliation/nexus with party A, thereby damaging the goodwill of party A. For an action of passing off, registration of a trademark is irrelevant.

Registration of a trademark is not a pre-requisite in order to sustain a civil or criminal action against violation of trademarks in India. In India, a combined civil action for infringement of trademark and passing off can be initiated.

Significantly, infringement of a trademark is a cognizable offence and criminal proceedings can be initiated against the infringers. Such enforcement mechanisms are expected to boost the protection of marks in India and reduce infringement and contravention of trademarks.

**Relief granted by Courts in Suits for Infringement and Passing off**

The relief which a court may usually grant in a suit for infringement or passing off includes permanent and interim injunction, damages or account of profits, delivery of the infringing goods for destruction and cost of the legal proceedings.

The order of interim injunction may be passed ex parte or after notice. The Interim reliefs in the suit may also include order for:

(a) Appointment of a local commissioner, which is akin to an “Anton Pillar Order”, for search, seizure and preservation of infringing goods, account books and preparation of inventory, etc.

(b) Restraining the infringer from disposing of or dealing with the assets in a manner which may adversely affect plaintiff’s ability to recover damages, costs or other pecuniary remedies which may be finally awarded to the plaintiff.

**Offences and Penalties**

In case of a criminal action for infringement or passing off, the offence is punishable with imprisonment for a term which shall not be less than six months but which may extend to three years and fine which shall not be less than INR 50,000 but may extend to INR 200,000.
Procedure of Registration of Trademark in India

The procedure for registration of a trademark in India is given below:

Convention Applications
In order to fulfill the obligations of any treaty, convention or arrangement with a country or countries that are members of inter-governmental organizations, which accord to Indian citizens similar privileges as granted to their own citizens, the Central Government notifies such countries to be Convention Countries. In case of an application for registration of a trademark made in any of the Convention countries, a priority date can be claimed with regard to the
application in India, provided that the application is made within six months of the application having been filed in the Convention country. The Government has notified and extended this privilege of priority to the members who have ratified the Paris Convention on Protection of Industrial Property.

**Madrid Protocol**

India Parliament has passed the Trade Marks (Amendment) Bill, 2009 for enacting special provisions relating to protection of trademarks through international registration under the Madrid Protocol. As per the Amendment Bill, from the date of the international registration of a trademark where India has been designated or the date of the recording in the register of the International Bureau about the extension of the protection resulting from an international registration of a trademark to India, the protection of the trademark in India shall be the same as if the trademark had been registered in India. The Amendment Bill is yet to be notified.

**Classification of goods and services**

For the purpose of classification of goods and services for registration of trademarks, India follows the International Classification of Goods and Services (Nice Classification) published by World Intellectual Property Organization (WIPO). For the purpose of classification of the figurative elements of marks, India follows the Vienna Agreement.

**Opposition proceedings**

After advertisement of a trademark in the Trade Marks Journal, (which is available online at the website of Office of Registrar of Trademarks) an opposition challenging the application for registration can be filed by any person within a period of 3 months (which may be extended by a period not exceeding 1 month).

**Renewal of registration**

The trademark is initially registered for a period of 10 years, which is calculated from the date of filing of the application and in case of convention application, from the date of priority. The registration is required to be renewed within 6 months before the date of expiry of the registration, i.e., 10 years from the date of the application or subsequent renewals.
The failure in renewing the trademark within the stipulated period of time and a grace period of maximum 1 year granted for restoration of the trademark, automatically leads to removal of the trademark from the Register of Trademarks.

**Rectification of Trademark**

An aggrieved person may file an application before the Registrar of Trademarks or to the Intellectual Property Appellate Board (IPAB) for cancellation or varying the registration of the trademark on the ground of any contravention or failure to observe a condition entered on the Register in relation thereto.

The application for rectification can also be filed for removal of an entry made in Register, without sufficient cause or wrongly remaining on the Register and for correction of any error or defect in any entry in the Register.

**Assignment, Transmission and Licensing of Trademarks in India**

“**Assignment**” means an assignment in writing by an act of the parties concerned. While in case of licensing, the right in the trademark continues to vest with the proprietor, the assignment of the trademark leads to a change in the ownership of the mark. A registered trademark is assignable with or without the goodwill in respect of all or only some of the goods/services for which the mark is registered. India is a member to TRIPS and Article 21 of the TRIPS dealing with Licensing and Assignment mandates that “… the owner of a registered trademark shall have the right to assign the trademark with or without the transfer of the business to which the trademark belongs.” Section 39 of the (Indian) Trade Marks Act, 1999 allows for the assignment of an unregistered trademark with or without the goodwill of the business concerned.

Indian law contains embargo on the assignments of trademark, whether registered or unregistered, whereby multiple exclusive rights would be created in more than one person which would result in deception/confusion. However, the assignment with limitations imposed, such as goods to be sold in different markets, i.e., within India or for exports are valid. The Registrar is authorized to issue a certificate of validity of the proposed assignment on a statement of case by
the proprietor of a registered trademark who proposes to assign the mark. The said certificate as to validity is conclusive unless vitiated by fraud.

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