

# Lesson 11

## Trademarks

### LESSON OUTLINE

- Introduction & Historical Perspective
- The Rationale of Protection of Trademark
- Definitions and Concept of Trademarks
- Different Kinds of Marks
- International Legal Instruments on Trademarks
- Indian Trademarks Law
- Registration of Trade Marks
- Procedure for Registration
- Opposition to Registration & Procedure
- Grounds for Refusal to Registration
- Infringement of Trade Marks
- Assignment & Transmission
- Offences Penalties
- International Conventions - Madrid Agreement
- Domain Names
- LESSON ROUND-UP
- SELF-TEST QUESTIONS

### LEARNING OBJECTIVES

A trade mark provides protection to the owner of the mark by ensuring the exclusive right to use it, or to authorize another to use the same in return for payment. The period of protection varies, but a trademark can be renewed indefinitely beyond the time limit on payment of additional fees.

In a larger sense, trade marks promote initiative and enterprise worldwide by rewarding the owners of trademarks with recognition and financial profit. Trade mark protection also hinders the efforts of unfair competitors, such as counterfeiters, to use similar distinctive signs to market inferior or different products or services. The system enables people with skill and enterprise to produce and market goods and services in the fairest possible conditions, thereby facilitating international trade.

With the advent of WTO, the law of trade marks is now modernized under the Trade Marks Act of 1999 along with the Rules thereunder and is in harmony with two major international treaties on the subject, namely, The Paris Convention for Protection of Industrial Property and TRIPS Agreement.

Trade marks being an important aspect of the intellectual property, students need to be well versed with the conceptual and legal framework, and procedural requirements relating to trade marks.

## INTRODUCTION

A trade mark (popularly known as brand name in layman's language) is a visual symbol which may be a word to indicate the source of the goods, a signature, name, device, label, numerals, or combination of colours used, or services, or other articles of commerce to distinguish it from other similar goods or services originating from another. It is a distinctive sign which identifies certain goods or services as those produced or provided by a specific person or enterprise. Its origin dates back to ancient times, when craftsmen reproduced their signatures, or "marks" on their artistic or utilitarian products. Over the years these marks evolved into today's system of trade mark registration and protection. The system helps consumers identify and purchase a product or service because its nature and quality, indicated by its unique trade mark, meets their needs.

A trade mark provides protection to the owner of the mark by ensuring the exclusive right to use it or to authorize another to use the same in return for payment. The period of protection varies, but a trade mark can be renewed indefinitely beyond the time limit on payment of additional fees. Trade mark protection is enforced by the courts, which in most systems have the authority to block trade mark infringement.

In a larger sense, trade marks promote initiative and enterprise worldwide by rewarding the owners of trade marks with recognition and financial profit. Trade mark protection also hinders the efforts of unfair competitors, such as counterfeiters, to use similar distinctive signs to market inferior or different products or services. The system enables people with skill and enterprise to produce and market goods and services in the fairest possible conditions, thereby facilitating international trade.

## Historical Perspective

The Indian Trade Marks Act, 1940 was the first statute law on trade marks in India. Prior to that protection of trade marks was governed by Common Law. Cases concerning trade marks were decided in the light of Section 54 of Specific Relief Act, 1877, while registration was secured by obtaining a declaration as to ownership under the Indian Registration Act, 1908. Some of the provisions of the first Trade Marks Act, 1940 came into force on 11.3.1940 and the rest became effective on 1.6.1942 (Gazette of India Extraordinary, 1942. p.684)

The said enactment was amended by the Trade Marks (Amendment) Act, 1941 and later by two other amendments. By the Trade Marks (Amendment) Act, 1943, the Trade Marks Registry, which was formerly a part of the Patent Office, Calcutta (now Kolkata) was separated from the Patent Office to constitute a separate Trade Marks Registry under a Registrar of Trade Marks at Bombay (now Mumbai). Thereafter, the Act was amended by the Trade Marks (Amendment) Act, 1946, to give effect to the reciprocal arrangement relating to trade marks between the Government of India and the then Indian States and further amendments introduced by Part B States Laws Act, 1951.

The Trade Marks Enquiry Committee, which was constituted by the Government of India in November 1953, recommended some changes, but since the report showed some divergence of opinion among the members, Mr. Justice Rajagopala Ayyangar (then a Judge of the Madras High Court, who later served and retired as a judge of the Supreme Court) was appointed by the Government of India to examine the Trade Marks Act, 1940, with reference to the report of the Trade Marks Enquiry Committee and to recommend as to what changes in the then law were necessary. On the basis of the report of Mr. Justice Ayyangar, the Trade Marks Act, 1940 was replaced by the Trade & Merchandise Marks Act, 1958. The Trade & Merchandise Marks Act, 1958 consolidated the provisions of the Trade Marks Act, 1940, the Indian Merchandise Marks Act, 1889 (which was in force since 1.4.1889) and the provisions relating to trade marks in the Indian Penal Code. The Trade & Merchandise Marks Act, 1958 was brought into force on 25th November 1959. Certain minor amendments were carried out by the Repealing & Amending Act, 1960 and the Patents Act, 1970. Thus, the history of legal protection to trade marks

in India is more than a century old.

### Harmonization with International Norms and Standards

The process of harmonization with International norms and standards started, when it was felt that a comprehensive review of the Trade & Merchandise Marks Act, 1958 be made in view of new developments in trading and commercial practices, increasing globalization of trade and industry, the need to encourage investment flows and transfer of technology and need for simplification and harmonization of trade mark management system in the country.

With the advent of WTO, the law of trade marks is now modernized under the Trade Marks Act of 1999 which provides for the registration of service marks and introduces various other provisions in conformity with the Trade Mark Law in developed countries.

In this context, the Trade Marks Bill, 1993 was introduced in the Lok Sabha on 19.5.1993, which was passed by the Lok Sabha on the lines recommended by the Standing Committee. However, as the Bill failed to get through the Rajya Sabha, it lapsed on the dissolution of the Lok Sabha. A new Bill titled as Trade Marks Bill, 1999 was introduced in Rajya Sabha and eventually passed by both the Houses of Parliament. The Bill received the assent of the President on 30.12.1999 and became an Act.

The Trade Marks Act, 1999 has been enacted as indicated in the Preamble to the Act to amend and consolidate the law relating to trade marks, to provide for registration and better protection of trade marks for goods and services and for the prevention of the use of fraudulent marks. It repealed the earlier Trade & Merchandise Marks Act, 1958.

The current law of trade marks contained in the Trade Marks Act, 1999 is in harmony with two major international treaties on the subject, namely, The Paris Convention for Protection of Industrial Property and TRIPS Agreement, to both of which India is a signatory.

Under the Trade Marks Act, the Controller -General of Patents, Designs and Trade Marks under Department of Industrial Policy and Promotion, Ministry of Commerce and Industry is the 'Registrar of Trade Marks'. The Controller General of Patents, Designs & Trade Marks directs and supervises the functioning of the Trade Marks Registry (TMR). The Trade Marks Registry administers the Trade Marks Act, 1999 and the Rules thereunder. The recent Trademark Rules in force are Trade Mark Rules, 2017. TMR acts as a resource and information centre and is a facilitator in matters relating to trade marks in the country. The main function of the Registry is to register trade marks which qualify for registration under the Act and Rules.

The salient features of the Trade Marks Act, 1999 *inter-alia* include:

- (a) Providing for registration of trade mark for services, in addition to goods.
- (b) Amplification of definition of trade mark to include registration of shape of goods, packaging and combination of colours.
- (c) All 42 international classification of goods and services (as earlier used) now applicable to India as well.
- (d) Recognition of the concept of "well-known trade marks".
- (e) Increasing the period of registration and renewal of trade marks from 7 to 10 years, to bring it in conformity with the accepted international practice.
- (f) Widening the scope of infringement of trademarks. For instance, use of a registered trademark as trade name or as a part of a trade name or use of a mark which is identical or deceptively similar to a registered trademark.

- (g) Creation of an “Intellectual property Appellate Board” for hearing appeals against orders and decisions of the Registrar of Trade Marks for speedy disposal of cases and rectification applications which hitherto lie before High Courts.
- (h) Criminal remedies in case of falsification of trademarks.
- (i) Recognition of use of trade mark by even an unregistered licensee.
- (j) Expeditious examination of a trade mark application on payment of five times the application fee.

The rights granted under the Act, are operative in the whole of India. The new Act also simplified the procedure for registration of registered user, enlarged the scope of permitted use and allowed the registration of “collective marks” owned by associations, etc. The Act empowers the Registrar to register certification trade marks. Earlier, this power was vested with the Central Government. Provision for enhanced punishment for the offences relating to trade marks on the lines of Copyright Act, 1957; restriction on sale of spurious goods; and use of someone else’s trade marks as part of corporate names, or name of business concern have also been incorporated in the new Act.

The new Act also has broadened the definition of infringement of a registered trade mark to include action against the unauthorized use of a confusingly similar mark, not only in respect of the goods and services covered by registration, as was previously the case, but also in respect of goods and services which are so similar that a likelihood of deception or confusion exists.

Civil suits can be instituted by any aggrieved person before a District Court, within the local limits of whose jurisdiction such aggrieved person actually and voluntarily resides or carries on business or personally works for gain. This new provision brings the trade mark law in line with the provisions for jurisdiction contained in the Copyright Act, 1957.

Under the Trade Marks Act, 1999 the Government of India is empowered to make rules for implementing the Act and regulating the trade marks Administration. Accordingly, the Government framed Trade Marks Rules, 2001. Subsequent to various amendments taken place in year 2002 and again in 2010, the trademark rules are now replaced with Trade Mark Rules, 2017.

#### Trade Mark Rules,2017

The Trade Mark Rules, 2017 have been notified and have come into effect from March 6, 2017. These Rules, which replace the erstwhile Trade Mark Rules 2002, will streamline and simplify the processing of Trade Mark applications.

Some salient features of the revamped Rules are as follows:

- Number of Trade Mark (TM) Forms have been reduced from 74 to 8.
- To promote e-filing of TM applications, the fee for online filing has been kept at 10% lower than that for physical filing.
- Based on stakeholder’s feedback, the fees for Individuals, Start-ups and Small Enterprises have been reduced from that proposed in the draft Rules – i.e. only Rs 4,500 as against Rs 8,000 for e-filing of TM applications proposed at the draft stage.
- Modalities for determination of well-known trademarks have been laid out for the first time.
- The provisions relating to expedited processing of an application for registration of a trade mark have been extended right upto registration stage (hitherto, it was only upto examination stage).

- Over all fees have been rationalized by reducing the number of entries in Schedule I from 88 to just 23. Applicant categories introduced with inbuilt discount for small applicants.
- Modalities for service of documents from applicants to the Registry and vice-versa through electronic means have been introduced to expedite the process; e-mail has been made an essential part of address for service to be provided by the applicant or any party to the proceedings so that the office communication may be sent through email.
- Hearing through video conferencing has been introduced.
- Number of adjournments in opposition proceedings has been restricted to a maximum of two by each party, which will help dispose off matters in time.
- Procedures relating to registration as Registered User of trademarks have also been simplified.

### Concept of sound trade Marks introduced

It may be recalled that the examination time for a TM application has already been brought down from 13 months to just 1 month in January 2017; this is despite a stupendous 35% jump in TM filings in 2015-16 vis a vis the previous year. The new Rules should give a boost to the Intellectual Property Regime in India.

### Object of Trade Marks Law

The object of trade mark law has been explained by the *Supreme Court in Dau Dayal v. State of Uttar Pradesh AIR 1959 SC 433*, in the following words:

“The object of trade mark law is to protect the rights of persons who manufacture and sell goods with distinct trade marks against invasion by other persons passing off their goods fraudulently and with counterfeit trade marks as those of the manufacturers. Normally, the remedy for such infringement will be by action in Civil Courts.

But in view of the delay which is incidental to civil proceedings and the great injustice which might result if the rights of manufacturers are not promptly protected, the law gives them the right to take the matter before the Criminal Courts, and prosecute the offenders, so as to enable them to effectively and speedily vindicate their rights”.

The distinction between a trade mark and a property mark has been stated by the Supreme Court in the case of *Sumat Prasad Jain v. Sheojanam Prasad and Ors., AIR 1972 SC 413*. The Apex Court held:

“...Thus, the distinction between a trade mark and a property mark is that whereas the former denotes the manufacture or quality of the goods to which it is attached, the latter denotes the ownership in them. In other words, a trade mark concerns the goods themselves, while a property mark concerns the proprietor. A property mark attached to the movable property of a person remains even if part of such property goes out of his hands and ceases to be his.”

The trade mark law in India is a ‘first-to-file’ system that requires no evidence of prior use of the mark. A trademark application can be filed on a ‘proposed to be used or intent-to-use’ basis or based on use of the mark. The term ‘use’ under the Trade Marks Act, 1999 has acquired a broad meaning and does not necessarily mean the physical presence of the goods in India. Presence of the trade mark on the Internet and publication in international magazines and journals having circulation in India are also considered as use in India. One of the first landmark judgments in this regard is the “Whirlpool case” [N. R. Dongre v. Whirlpool Corporation, 1996 (16) PTC 583] in which the Court held that a rights holder can maintain a passing off action against an infringer on the basis of the trans-border reputation of its trade marks and that the actual presence of the goods or the

actual use of the mark in India is not mandatory. It would suffice if the rights holder has attained reputation and goodwill in respect of the mark in India through advertisements or other means.

## IMPORTANT DEFINITIONS IN THE TRADE MARKS ACT,1999

### Trade Mark

A trade mark is a word, phrase, symbol or design, or combination of words, phrases, symbols or designs used in the course of trade which identifies and distinguishes the source of the goods or services of one enterprise from those of others.

As stated above, the definition of “trade mark” under Section 2(1)(zb) has been enlarged to mean a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from others and may include shape of goods, their packaging and combination of colours and covers both goods and services.

“Mark” includes a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof”. [Section 2(1)(m)].

Being an inclusive definition it will thus include any mark within the definition of trade mark so long as the mark is –

- capable of being represented graphically;and
- capable of distinguishing the goods or services of one person from those of others.

### Service

The new definition of ‘service’ has been included for the benefit of service-oriented establishments such as banking, communication, education, finance, insurance, chit funds, real estates, transport, storage, material treatment, processing, supply of electrical or other energy, boarding, lodging, entertainment, amusement, construction, repair, conveying of news or information and advertising .

A service mark is the same as a trade mark except that it identifies and distinguishes the source of a service rather than a product. Normally, a mark for goods appears on the product or on its packaging, while a service mark appears in advertising for the services.

The definition of “registered trade mark” under Section 2(1)(w) has been modified to mean a trade mark which is actually on the Register and remaining in force. The renewal of registration of a trade mark should be made for every ten years instead of seven years under the present Act.

### Certification Trade Mark

“Certification trade mark” means a mark capable of distinguishing the goods or services in connection with which it is used in the course of trade which are certified by the proprietor of the mark in respect of origin, material, mode of manufacture of goods or performance of services, quality, accuracy or other characteristics from goods or services not so certified and registrable as such under Chapter IX in respect of those goods or services in the name, as proprietor of the certification trade mark, of that person.[ Section 2(1)(e)].

### Collective Mark

The new definition of ‘collective mark ‘ has been provided for the benefit of members of an association of persons (but not partnership) and such inclusion of ‘collective mark’ will benefit the traditional Indian family trade

marks.

“Collective mark” under Section 2(1)(g) of the Act means a trade mark distinguishing the goods or services of members of an association of persons (not being a partnership within the meaning of the Indian Partnership Act, 1932) which is the proprietor of the mark from those of others.

### Trade Description

Trade description under Section 2(1)(za) means any description, statement or other indication, direct or indirect :

- (i) as to the number, quantity, measure, gauge or weight of any goods;or
- (ii) as to the standard of quality of any goods or services according to a classification commonly used or recognized in the trade;or
- (iii) as to fitness for the purpose, strength, performance or behaviour of any goods, being “drug”, as defined in the Drugs and Cosmetics Act, 1940 or “food”, as defined in the Prevention of Food Adulteration Act, 1954; or
- (iv) as to the place or country in which or the time at which any goods or services were made, produced or provided, as the case may be;or
- (v) as to the name and address or other indication of the identity of the manufacturer or of the person providing the services or of the person for whom the goods are manufactured or services are provided;or
- (vi) as to the mode of manufacture or producing any goods or providing services;or
- (vii) as to the material of which any goods are composed;or
- (viii) as to any goods being the subject of an existing patent, privilege or copyright, and includes–
  - (a) any description as to the use of any mark which according to the custom of the trade is commonly taken to be an indication of any of the above matters;
  - (b) the description as to any imported goods contained in any bill of entry or shipping bill;
  - (c) any other description which is likely to be misunderstood or mistaken for all or any of the said matters;

### Well Known Trademark

Being a signatory to the Paris Convention and TRIPS, India recognizes the concept of a well known trade marks.

Under Section 2(1)(zg) of the Trade Marks Act, 1999 “well-known trade mark”, in relation to any goods or services, means a mark which has become so to the substantial segment of the public which uses such goods or receives such services that the use of such mark in relation to other goods or services would be likely to be taken as indicating a connection in the course of trade or rendering of services between those goods or services and a person using the mark in relation to the first-mentioned goods or services.

A mark, which has been designated as a well known mark, is accorded stronger protection. The Act casts an obligation on the Registrar to protect a well known mark against an identical or similar trade mark.

### Permitted Use

Section 2(1) (r) defines the term “permitted use”, in relation to a registered trade mark, as to mean the use of

trade mark-

- (i) by a registered user of the trade mark in relation to goods or services-
  - (a) with which he is connected in the course of trade;and
  - (b) in respect of which the trade mark remains registered for the time being;and
  - (c) for which he is registered as registered user;and
  - (d) which complies with any conditions or limitations to which the registration of registered user is subject;or
- (ii) by a person other than the registered proprietor and registered user in relation to goods or services
  - (a) with which he is connected in the course of trade;and
  - (b) in respect of which the trade mark remains registered for the time being;and
  - (c) by consent of such registered proprietor in a written agreement;and
  - (d) which complies with any conditions or limitations to which such user is subject and to which the registration of the trade mark is subject.

The definition of “Tribunal” under Section 2(1)(ze) has been modified to include “Appellate Board” in place of “High Court”. The word “High Court” has been deleted consequent to the provision to constitute Appellate Board in lieu of High Court, for appeals.

## **THE REGISTRAR OF TRADEMARKS**

Under Section 3 of the Trade Marks Act, 1999, the Central Government appoints Controller-General of Patents, Designs, and Trade Marks, as the Registrar of Trade Marks for the purposes of the Trade Marks Act 1999. Other officers may also be appointed by the Central Government under Section 3(2) for the purpose of discharging such functions of the Registrar as he may authorize them to discharge under his superintendence and direction.

## **SINGLE REGISTER OF TRADEMARKS**

Section 6 contains provisions relating to maintenance of a single Register of Trade Marks at the Head Office of the Trade Marks Registry and allows the maintenance of records in computer floppies or diskettes or in any other electronic form subject to the prescribed safeguards. Section 7 empowers the Registrar to classify goods and services according to International classification of goods and services for the purpose of registration of trade marks and to determine any question related thereto. Section 8 requires the Registrar to publish an alphabetical index of classification of goods and services.

## **REGISTRATION OF TRADEMARKS**

The process whereby a trade mark is entered on the register of the trade marks is referred to as registration.

Any person, claiming to be the proprietor of a trade mark used or proposed to be used by him, can apply for registration of a trade mark to the Trade Mark Registry under whose jurisdiction, the principal place of the business of the applicant falls, in the prescribed manner for the registration of his trade mark. In case of a company about to be formed, anyone may apply in his name for subsequent assignment of the registration in the company's favour.

The provisions contained in Chapter II starting from Rule 23 to 38 of the Trade Marks Rules, 2017 prescribe the detailed procedure for application of trade marks.

## Registration Procedure

The registration procedure in India is based on the 'first to file' system. It is therefore important that the rights holder applies for the registration of its mark as soon as possible. The registration of a trade mark in India typically takes about 2 to 3 years, subject to the trade mark not being opposed by a third party. The Office of the Controller General of Patents, Designs and Trade Marks is the appropriate office for filing of a trade mark application in India. This office has branches in Mumbai, Delhi, Chennai, Ahmedabad and Kolkata. A trade mark application may be filed in any of these offices based on the territorial jurisdiction. The different steps that are involved in the registration process in India are as follows: Chapter II of the TM Rules 2017 discusses in the detail the registration procedure of Trade Marks in India.

## Trade Mark Search

Before making an application for registration, it is prudent to make an inspection of the already registered trade marks to ensure that registration may not be denied in view of resemblance of the proposed mark to an existing one or prohibited one.

It is advisable that a common law search should also be conducted in order to ascertain if there are any third parties that might already be using the trade mark.

## Who May Apply for Trade Mark

As per Section 18 of the Trade Marks Act, 1999 any person "claiming to be the proprietor" of the trade mark 'used' or 'proposed to be used' by him may make an application in the prescribed manner for registration of his trade mark.

"Any person" is wide enough to include any individual, company, or association of persons or body of individuals, society, HUF, partnership firm, whether registered or not, Government, trust etc. [Section 3(42), General Clauses Act, 1897]

## Company

A company may make an application for registration of a trade mark in its own corporate name. In the case of a company incorporated outside India, the country of incorporation and the nature of registration, if any, is to be mentioned.

## Firm

A partnership firm shall make the application in the names of all trading within the firm partner. When including the name of a minor in the partnership, the name of guardian representing the minors should also be mentioned.

It has been held that if there is omission of the name of any partner in TM-1 (i.e. application to register a trade mark for a specification of goods or services) or corresponding new application form, the omission can be corrected when supported by necessary documents. Such corrections will not constitute change in the proprietorship of the mark. (*Vivekananda Match company v. Jupiter Match Works, 1991 PTC 61*). However, any new addition or deletion of name of a partner subsequent to the date of application will mean change in the partnership.

## Trust

Application may be made in the name of a trust, represented by its managing trustee/chairman etc.

### Government

The Central or State Government or any undertaking/company owned or controlled by such Government may also make application for registration of trade mark like any other person.

### Joint Applicant

Section 24 enables registration of two or more persons to be registered as joint proprietors of the trade mark, where the mark is used or proposed to be used in relation to goods or services connected with the joint applicants.

The trade mark law in India allows the proprietor to file a trade mark application only if they have a place of business in India. Should that not be the case, the rights holder will be required to file an application through a trade mark agent/attorney. The trade mark agent/attorney can do a trade mark search, prepare, file and prosecute the applications.

### Filing and Prosecuting Trade Mark Applications

As per Trade Marks Rules, an application for registration of a trade mark may be made on Prescribed Form with prescribed fee as provided in Schedule – I of Trade Mark Rules, 2017 at one of the five office of the Trade Marks Registry located at Mumbai, Delhi, Kolkata, Chennai and Ahmedabad depending on the place where the applicant resides or has his principal place of business. In the case of joint applicants, the principal place of business in India of the applicant will be that of the person whose name is first mentioned as having a place of business. If the applicant has no principal place of business in India, he should file the application at that office within whose territorial jurisdiction, the address for service in India given by him (as per mandatory provision in Rule 18) is located. No change in the principal place of business in India or in the address for service in India shall affect the jurisdiction of the appropriate office once entered (Rule 5).

Furthermore, trade mark applications can be filed electronically through the website ([www.ipindiaonline.gov.in/etmr/](http://www.ipindiaonline.gov.in/etmr/)).

### Fees for Trade Mark Applications

As per **First Schedule of Trade Mark Rules 2017**, fees and forms for registration of Trade Marks is described as below<sup>1</sup>:

Entry No	On what payable	Amount in INR.		Corresponding Form Number
		For Physical filing	For E-filing	
1	Application for registration of a trademark /collective Marks / Certification Mark / Series of trademark for specification of goods or services included in one or more than one classes.			TM-A

1. See, <http://www.ipindia.nic.in/form-and-fees-tm.htm>. Last Accessed, September 10, 2018.

	Where the applicant is an Individual / Startup/Small Enterprise	5,000	4,500	
	In all other cases ( <b>Note: Fee is for each class and for each mark</b> )	10,000	9,000	
2	On a notice of opposition under section 21(1),64, 66 or 73 or application for rectification of register under section 47 to 57, 68, 77 or application under rule 99, 103, 135,140 or On application under section 25 of Geographical Indication of Goods (Regulations and Protection) Act, 1999 to invalidate a trademark or counter statement related thereto. (Note: Fee is for each class opposed or counter statement filed)	3,000	2,700	TM-O
3	For renewal of registration of a trademark under section 25 for each class	10,000	9,000	TM-R
		Application for renewal with surcharge of registration of a Trademarks under section 25 (3) for each class Application for renewal with surcharge/ restoration and renewal of a Trademarks under section 25 (3), 25 (4) for each class	5,000 Plus renewal fee applicable under entry 3 10,000 Plus renewal fee applicable under entry 3	4,500 Plus renewal fee applicable under entry3 9,000 Plus renewal fee applicable under entry3
4	On application under section 45 to register a subsequent proprietor in case of assignment or transfer for each trademark	10,000	9,000	TM-P
		On application for: Certificate of the Registrar under section 40(2), or For approval of the Registrar under section 41, or Direction of the Registrar for advertisement of Assignment without goodwill under section 42, or Add or alter a registered trademark under section 59(1) for each trademark, or Conversion of specification under Section 60 for each trademark.	3,000	2,700

		On application for: Extension of time for applying for direction under section 42 for advertisement of assignment without goodwill, or Extension of time for registering a company as subsequent proprietor of trademarks under section 46(4), or Consent of Registrar to the assignment or transmission of a certification trademark under section 43, or Change a name and / or description of a registered proprietor or a registered user of a trademark under section 58 for each trademark.	2,000	1,800
		On application for: Dissolution of association between trademark under section 16(5), or Change in address or address for service in India of Registered Proprietors under section 58 for each trademark, or Request for cancellation of an entry in the register or part thereof under section 58 for each trademark.	1,000	900
5	Application under section 49 to a registered user of a registered trademark in respect of goods or services Or On application under clause (a) of sub-section (1) of section 50 to vary the entry of a registered user of one trademark where the trademarks are covered by the same registered user in respect of each of them Or On application under clause (b), (c) or (d) of sub-section (1) of section 50 for cancellation of entry of a registered user of one trademark Or On notice	5,000	4,500	TM-U

	under rule 95 (2) of intention to intervene in one proceeding for the variation or cancellation of entries of a registered user of a trademark (Note: applicable fee is for each mark)			
6	Request for search and issue of certificate under rule 22(1)	10,000	9,000	TM-C
		Request for an expedited search and issuance of certificate under rule 22(3)	Not allowed	30,000
7	On application for: Extension of time, or Certified copy, or Duplicate Registration Certificate, or inspection of document, or Particulars of advertisement to registrar, or seeking grounds of decision of Registrar, or Enter in the register and advertise a note of certificate of validity under rule 127, Amendment in trademark application, or Particulars of advertisement of a trademark to Registrar under rule 41.	1000	900	TM-M
		On application for: Deposition of regulation of collective trademark under section 66 or alteration of regulation of certification trademark under section 74(2),or Seeking Registrar	2,000	1,800

**First Schedule: Trade Mark Rules 2002** prescribed the forms and fees as below:

Entry No	On what payable	Amount Rs.	Corresponding Form Number
1	On application to register a trade mark for a specification of goods or services included in one class [Section 18(1)]	3500.0	TM-1
2	On application to register a textile trade mark (other than a certification trade mark or a collective mark) consisting exclusively of numerals or letters or any 66 or 73 for each class opposed	3500.0	TM-22

13	On application for extension of time for filing notice of opposition under section 21(1)	500.00	TM-44
14	On a counter statement in answer to a notice of opposition under section 21, for each application opposed, or in answer to an application under any of the section 47 or 57 in respect of each trade mark or in answer to a notice of opposition under section 59 or rule 101 for each application or conversion opposed	1000.00	TM-6
15	On notice of intention to oppose hearing under any of the section 21, 47, 57 and 59 by each party to the proceeding concerned	500.0	TM-7
16	On application under section 16(5) to dissolve the association between registered trade marks	500.00 for each dissolution	TM-14
17	For renewal under section 25 of the registration of a trade mark at the expiration of the last registration not otherwise charged	5,000.0	TM-12
18	For renewal under section 25 of the registration of a series trade mark at the expiration of the last registration- For the first two marks of the series of each separate class For every additional mark of the series of each separate class	5,000.0 2500.0	TM-12
19	For renewal under section 25 of a single application of a trade mark for goods or services in more than one class-in respect of every class	5,000.0 for each class	TM-12
20	For renewal under section 25 of the registration of a collective mark/certification trade mark	20,000.0	TM-12
21	On application under section 25(4) for restoration of a trade mark removed from the register	5000.0	TM-13
22	On application for renewal under proviso to section 25(3) within six months from the expiration of last registration of the trade mark	3000.00 as surcharge	TM-10
23	On application for certificate of the Registrar under section 40(2) For the first mark proposed to be assigned For every additional mark of the same proprietor included in that assignment	2500.0 500.0	TM-17
24	On application for approval of the Registrar under section 41 For the first trade mark For every additional mark of the same proprietor included in the same transfer	2500.00 500.00	TM-19
25	On application under section 42 for direction of a Registrar for advertisement of assignment without goodwill of a trade mark in use For the first mark assigned For every additional mark assigned with the same devolution of title	2500.00 2500.00 500.00	TM-20

26	On application for extension of time for applying for directions under section 42 for advertisement of assignment without goodwill of trade mark in use in respect of devolution of title Not exceeding one month Not exceeding two month Not exceeding three month	500.00 1000.00 1500.00	TM-21
27	On application under section 45 to register a subsequent proprietor in a case of assignment or transfer of a single trade mark	5000.0 7500.0	TM-23
	If made within six months from the date of acquisition of proprietorship If made after expiration of six months but before 12 months from the date of acquisition of proprietorship If made after 12 months from date of acquisition of proprietorship	10,000.00	TM-23
28	On application under section 45 to register a subsequent proprietor of more than one trade mark registered in the same name, the devolution of title being the same in each case:	5000.00 1000.00	TM-23 OR TM-24
	If made within six months from the date of acquisition of proprietorship For the first mark	7500.00	TM-23 OR TM-24
	For every additional mark	1500.00	TM-23 OR TM-24
	If made after the expiration of six months but before twelve months from the date of acquisition of proprietorship:	10,000.00 2000.00	TM-23 OR TM-24
	For the first mark For every additional mark If made after expiration of twelve months from the date of acquisition of proprietorship: For the first mark For every additional mark		
29	On application under section 46(4) for extension of time for registering a company as subsequent proprietor of trade marks on one assignment : Not exceeding two month Not exceeding four month Not exceeding six month	500.00 1000.00 1500.00	TM-25
30	On application under any of the sections 47 or 57 for rectification of the register or removal of a trade mark from the register or cancellation of a registered collective mark or a certification trade mark	3000.00	TM-26
31	On application under rule 94 for leave to intervene in proceeding under any of the sections 47 or 57 for rectification of the register or removal of trade mark from the register or under rule 133 or 139 in respect of a collective mark or certification trade mark	500.0	TM-27
32	On application under section 49 to register a registered user of a registered trade mark in respect of goods or services within the specification thereof	5000.00	TM-28

33	On application under section 49 to register the same registered user of more than one registered trade mark of the same registered proprietor, where all the trademarks are covered by the same registered user agreement in respect of goods or services within the respective specification thereof and subject to the same conditions and restrictions in each case: For the first mar For every additional mark of the proprietor included in the application, and in the registered user agreement	5000.00 3000.00	TM-28
34	On application under clause (a) of sub-section 1 of section 50 to vary the entry of a registered user of one trade mark where the trademarks are covered by the same registered user in respect of each of them: For the first mar For every additional mark included in the application	5000.00 2500.00	TM-29
35	On application under clause (b) of sub-section (1) of section 50 for cancellation of the entry of a registered user of one trade mark Where the application includes more than one trade mark For the first mark For every additional mark included in the application	2500.00 2500.00 500.00	TM-30
36	On application under clause (c) or (d) of sub-section (1) of section 50 to cancel the entry of a registered user of one trade mark: Where the application includes more than one trade mark: For the first mar For every additional mark included in the application	5000.00 5000.00 2000.00	TM-31
37	On notice under rule 90(2 ) of intention to intervene in one proceeding for the variation or cancellation of entries of a registered user of a trademark	500.00	TM-32
38	On application under section 58 to change the name or description of a registered proprietor or a registered user of a trade mar where there has been no change. In the proprietorship or in the identity of the registered user (except where the application is made as a result of an order of a public authority or in consequence of a statutory requirement as per law in India where the application includes more than one trade mark For the first trade mar For every additional mark included in the application	1000.00 1000.00 1000.00 500.00	TM-33
39	On application under section 58 to alter an entry of the address of a registered proprietor or of a registered user of a trade mark unless exempted from fee under rule 96(3) Where the application include more than one trade mark - and where the address in each case is the same and is altered in the same way For the first entry For every other entry included in the application	500.00 500.00 200.00	TM-34
40	On application to make an entry of an address for service in India of a registered proprietor or a registered user of a trade mark where the application include more than one trade mark and the address for service to be entered is the same in each case For the first entry For every other entry included in the application	500.00 200.00 500.00	TM-50

41	On application to alter or substitute an entry of an address for service in India in the register unless exempted from fee under rule 96(3) Where the application includes more than one trade mark and the address in each case is the same and is altered or substituted in the same way For the first entry For every other entry included in the application	500.00 500.0 200.00	TM-50
42	On application under clause (c) of sub-section (1) of section 58 for cancelling the entry or part thereof from the register or under clause (d) to strike out goods or services from the register	200.00	TM-35 OR TM-36
43	On application under section 59(1) for leave to add or alter a registered trade mark (except where the application is made as a result of an order of a public authority or in consequence of statutory requirement) Where the application includes more than one trade mark and the addition or alteration to be made in each case being the same For the first mar For every other mark included in the application	2500.00 2500.00 1000.00	TM-38
44	On notice of opposition under sub-section (2) of section 59 to an application for leave to add or to alter a registered trade mark for each application oppose	1500.00	TM-39
45	On application under section 60 for conversion of specification	1000.00	TM-40
46	On notice of opposition in each separate class under sub-section 2 of section 60 to a conversion of the specification or specifications of a registered trade mark For the first mar For every additional mark included in the notice of opposition	1500.00 1500.00 700.00	TM-41
47	On application under section 66 for amendment of the deposited regulations of a collective mark or alteration under section 74(2) for the regulation of a certification trade mark Where the marks are entered in the register as associated trade marks For the regulation of one registration For the same or substantially same regulation of each additional registration proposed to be altered in the same way and included in the same application	1000.00 1000.00 200.00	TM-42
48	On application under section 68 to remove the registration of a collective mark or cancel or vary the registration of a certification trade mark under section 7	1000.00	TM-43
49	Deleted		
50	On request for the Registrar's preliminary advice under section 133(1) for a trade mark in respect of one class	1000.00	TM-55
51	On request for certificate of the Registrar under section 137( other than a certificate under section 23(2))	500.00	TM-46
52	On request for certificate of the Registrar [other than certificate under section 23(2)] of the registration of a series of the trade mark under section 15 for each class	500.00	TM-46

53	On request for a certified copy of any entry in the register or of any document under section 148(2)	500.00	TM-46
54	On request to enter in the register and advertise a note of certificate of validity, under rule 124 in respect of one mark in a class	200.00	TM-47
55	On request, not otherwise charged for correction of a clerical error or for amendment under section 18(4), 22 and 58, except where the request is made as a result of an order of a public authority or in consequence of a statutory requirement as per law in India	500.00	TM-16
56	On application for extension of time for a month or part thereof under section 131 [not being a time expressly provided in the Act or prescribed by rule 79 or by rule 80(4)]	500.00	TM-56
57	On application for review of the Registrar's decision under section 127 (c)	2000.00	TM-57
58	On petition (not otherwise charged) for obtaining Registrar's order on any interlocutory matter in a contested proceeding	2500.00	
59	On request to Registrar for particulars of advertisement of a mark under rule 46	250.00	TM-58
60	For inspecting the documents mentioned in section 148(1): relating to any particular trade mark for every hour or part thereof search of index mentioned in section 148 for every hour or part thereof	200.00 200.00	
61	For copying of documents, (photocopy or typed) for every page of part thereof in excess of one page	5.00 per page (subject to a minimum of Rs. 5.00)	
62	On request for a duplicate or further copy of certificate rule 62(3)	500.00	TM-59
63	On a counter statement in answer to a notice of opposition in respect of a collective trade mark or a certification trade mark under section 64, 66,73 or 77	1500.00	TM-9
64	For search and issue of certificate under rule 24(3)	5000.00	TM-60
65	On application under sub-section (b) of section 25 of Geographical Indications of Goods (Registration and Protection )Act, 1999 to refuse or invalidate the registration of a trade mark which conflicts with or which contains or consists of a geographical indication identifying goods or class or classes of goods notified under sub-section (2) of section 22 of the said Act	3000.00	TM-74

66	On application under sub-section (a) of section 25 of Geographical Indications of Goods (Registration and Protection )Act, 1999 to refuse or invalidate the registration of a trade mark containing or consisting of a geographical indicating not originating in the territory of a country or a region or locality in that territory which the geographical indication indicates	3000.00	TM-73
67	Notice of intention to attend hearing under section 64, 66, 73 or 77 in respect of a collective mark or in respect of a certification trade mark, as the case may be	500.00	TM-7
68	On a request to divide an application or to divide a single application under proviso to section 22	1000.00 plus appropriate class fee	TM-53
69	On application under sub-rule 16 of rule 25 towards inclusion of specification of goods or services in excess of five hundred characters at the time of filing of application as excess space fee	10.00 per character	TM-61
70	On application under section 43, rule 140(2) for consent of Registrar to the assignment or transmission of certification trade mark	1000.00	TM-62
71	On application under rule 38(1) for the expedited examination of an application for the registration of a trade mark	12,500.00	TM-63
72	On application under section 63(1) to register a collective mark of a specification of goods or services included in a class from a convention country under section 154(2)	10,000.00	TM-64
73	On application under section 71 to register a certification trade mark for a specification of goods or services included in class from a convention country under section 154(2)	10,000.00	TM-65
74	On request for an expedited certificate of the Registrar (other than a certificate under section 23(2) of the Act) or certified copies of documents under proviso to rule 119	2500.00	TM-7
75	Delete		
76	On request for an expedited search and issuance of a certificate under rule 24(5)	25000.00	TM-72
77	On application for registration as a trade mark agent under 152	1000.00	TMA-1

78	For registration of a person as a trade mark agent under rule 154	1000.0	
79	For continuance of the name of a person in the Register of Trade Marks Agents under rule 156: For every year (excluding the first year) to be paid on the 1 <sup>st</sup> April, in each year For the first year to be paid along with the fee or registration, in the case of a person registered at any time between the 1 <sup>st</sup> April, and 30th September N.B. A year for this purpose will commence on the 1 <sup>st</sup> day of April, and end on the 31 <sup>st</sup> day of March following	1000.00 1000.00	
80	On application for restoration of the name of a person to the Register of trade marks agents under rule159	1000.00 plus continuance fee under entry no. 79	TMA-2
81	On application for an alteration of any entry in the Register of Trade Marks Agent under rule 160	200.00	TMA-3
82	For each addition to the registered entry of a trade mark that may be associated with a newly registered mark under section 16(1)	500.00	
83	On a single application under section 18(2) for the registration of a collective mark for different classes of goods or services	10,000.00 for each class	TM-66
84	On a single application under section 18(2) for the registration of a collective mark for different class of goods or services from a convention country	10,000.00 for each class	TM-67
85	On a single application under section 18(2) for the registration of a certification trade mark for different class of goods or services	10,000.00 for each class	TM-68
86	On a single application under section 18(2) for the registration of a certification trade mark for different class of goods or services from a convention country under section 154(2)	10,000.00 each class for	TM-69
87	On request for search and issuance of a certificate pursuant to clause (ii) of sub-section (2) of section 20 of the Companies Act, 1956	5000.0	TM-75

### Review by the Trade Marks Office

After the application has been filed, the Trade Marks Office reviews it to ensure that it is complete in all respects and thereafter allots an application number to the applications. If the trade mark is registered, the application number becomes the registration number.

### Preliminary Approval and Publication, Show Cause Hearing or Rejection of the Application

During the process of examination, the Trade Marks Office determines if the trade mark is barred for registration either under absolute grounds for refusal and/or relative grounds for refusal as prescribed in the Trade Marks Act, 1999. Accordingly, they issue an examination report and the Applicant must respond to the objections that have been raised in the examination report within a period of one month from the issuance of the examination

report. Thereafter and based on the response to the examination report that has been filed by the Applicant, the Registrar of Trade Marks determines if the application should be refused, accepted for advertisement, accepted subject to certain limitations or put up for a “show cause” hearing, during which the application might be accepted, rejected or accepted subject to certain limitations. Should the application be rejected, the Applicant can approach the Intellectual Property Appellate Board to appeal the order of the Registrar of Trade Marks.

## Registration

Within three months of the publication of the trade mark in the Trade Marks Journal, should the trade mark not be opposed by a third party, it will proceed for registration and the Trade Marks Registry will accordingly issue a registration certificate.

## Requisites for Registration

The Trade Marks Act, 1999 does not expressly list any requisites for registration. The requirements for registration and the definition of trade mark have converged. Instead of detailing requisites for registration, grounds for refusal are listed in Section 9(1), (2) and (3) & Section 11 which conversely are requisites for registration. Most of the substantive law laid down by the Trade & Merchandise Marks Act, 1958 remains valid and would hold the ground for administering the provisions of Trade Marks Act, 1999. From previous operation of trade mark law, four categories of trade marks were made out i.e., names, signatures, words and other distinctive marks. Most of the principles relating thereto would hold good under the new dispensation.

Now any mark which is a trade mark may be registered for any goods or services if it is not hit by any of the two kinds of grounds for refusal or other specific prohibitions. The first requisite is that it should be a trade mark within the meaning of Trade Marks Act, 1999 which concept itself imports many conditions as has been mentioned earlier in the legal concept of trade mark. There emerge many conditions from the definition of trade mark in Section 2(1)(zb). The identification and distinguishing functions performed by the trade mark must be fulfilled by the trade mark sought to be registered in India. That the trade mark is registered in any other member country of Paris Convention\* or has been refused to be registered is not a factor to be considered in relation to registration of the trade mark. Explanation to Section 9 has been inserted to dispel the fears in relation to fulfillment of Article 7 of the Paris Convention.

The next pre-requisite—distinctive character emerges from the presence of words “capable of distinguishing goods of one person from those of others...” in the definition of trade mark in Section 2(1)(zb). A mark shall be trade mark only if, in addition to fulfilling other conditions in the definition of trade mark, also satisfies the requirement of distinctive character. The term ‘distinctiveness’ has been changed to distinctive character, which would bring jurisprudence of distinguishing function of the trade mark in conformity with international practice. The Trade Marks Act, 1999, as in earlier laws also, recognizes that distinctive character may be inherent or acquired.

## Capable of Distinguishing the Goods or Services

A mark which has a direct reference to the character or quality of the goods/services is considered as inherently not capable of distinguishing. If the reference to the character or quality is only indirect or suggestive, the mark may be considered as possessing sufficient degree of inherent capacity to distinguish. As under the old law in determining whether a trade mark is capable of distinguishing, the tribunal should have regard to the extent to which the mark is inherently capable of distinguishing and also the extent to which it is in fact capable of distinguishing by virtue of use of the mark or of other circumstances. The fundamental principle is that “traders should not obtain any monopoly in the use of words as trade marks to the detriment of the members of the

public, who, in the future and in connection with their goods might desire to use them". [York Trade Mark 1982 FSR 101(House of Lords)]

Thus, the legal requirements to register a trade mark under the Act are:

- The selected mark should be capable of being represented graphically (that is in the paper form).
- It should be capable of distinguishing the goods or services of one undertaking from those of others.

It should be used or proposed to be used as a mark in relation to goods or services for the purpose of indicating or so as to indicate a connection in the course of trade between the goods or services and some person having the right either as proprietor or by way of permitted user, to use the mark whether with or without any indication of the identity of that person.

### Duration and Renewal of Trade Mark Registration

Trade mark protection in India is perpetual subject to renewal of the registration after every 10 years. The application for renewal can be filed six months before the expiry of the validity period of the trade mark.

Section 25 of the Act allows registration of a trade mark for a period of 10 years. In keeping with the generally accepted international practice and to reduce the work-load of the Trade Marks Office, Section 25 allows renewal of registration for successive periods of 10 years, from the date of the original registration or the last renewal. With a view to facilitate renewal of registration, Section 25(3) provides for a grace period of one year for payment of renewal fee after expiry of registration, subject to the payment of the prescribed surcharge. Sub-section (4) provides for restoration of the trade marks to the register and renew the registration on payment of renewal fees.

Unlike patents, copyright or industrial designs, trade mark rights can last indefinitely if the owner continues to use the mark. However, if a registered trade mark is not renewed, it is liable to be removed from the register.

Should the rights holder of a trade mark come across a trade mark that is deceptively similar to their mark and which has been published in the Trade Marks Journal, they can oppose the impugned mark within three months of the publication of the journal.

A trader acquires a right of property in a distinctive mark merely by using it upon or in connection with his goods irrespective of the length of such user and the extent of his trade. Priority in adoption and use of a trade mark is superior to priority in registration [*Consolidated Foods Corporation v. Brandon & Co. Pvt. Ltd.*, AIR 1965 Bom.35].

The Supreme Court in *Commissioner of Income-tax v. Finlay Mills Ltd.*, AIR 1951 SC 464, has held that the expenditure incurred on registration of trade mark is capital expenditure thus allowable deduction under the Income-tax Act.

In *Ramdev Food Products (P) Ltd. v. Arvind Bhai Rambai Patel*, 2006 (8) SCC 726, the Apex Court held that the registration of trade marks is envisaged to remove any confusion in the minds of the consumers. If, thus, goods are sold which are produced from two sources, the same may lead to confusion in the mind of the consumers. In a given situation, it may also amount to fraud on the public. A proprietor of a registered trade mark indisputably has a statutory right thereto. In the event of such use by any person other than the person in whose name the trade mark is registered, he will have a statutory remedy in terms of Section 21 of the Trade & Merchandise Marks Act, 1958. Ordinarily, therefore, two people are not entitled to the same trade mark, unless there exists an express licence in that behalf.

## OPPOSITION TO REGISTRATION

Section 21 provides that “any person” may give a Notice of Opposition to the application for registration of a trade mark whether he has or has not any commercial or personal interest in the matter. The person need not be a prior registered trade mark owner. He can be a customer, a purchaser or member of the public likely to use the goods. The question of *bona fides* of the opponent does not arise.

Essential requirements for filing Notice of Opposition:

- In all cases (whether an ordinary trade mark, collective mark or certification mark), the Notice of Opposition should be on the prescribed form TM-5, accompanied by the prescribed fee of Rs. 2,500.
- It should be filed at the appropriate office – see rule 8
- The provisions of rule 18 regarding ‘address for service’ must be complied with, where necessary.
- The Notice of Opposition should contain particulars as prescribed in Rule 48, which runs as follows:

A Notice of Opposition shall contain,-

- (a) in respect of an application against which opposition is entered-
  - (i) the application number against which opposition is entered;
  - (ii) an indication of the goods or services listed in the trade mark application against which opposition is entered; and
  - (iii) the name of the applicant for the trademark.
- (b) in respect of the earlier mark or the earlier right on which the opposition is based,-
  - (i) where the opposition is based on an earlier mark, a statement to that effect and an indication of the status of earlier mark;
  - (ii) where available, the application number or registration number and the filing date, including the priority date of the earlier mark;
  - (iii) where the opposition is based on an earlier mark which is alleged to be a well-known trade mark within the meaning of sub-section (2) of section 11, an indication to that effect that an indication of the country or countries in which the earlier mark is recognized to be wellknown.
  - (iv) Where the opposition is based on an earlier trade mark having a reputation within the meaning of paragraph (b) of sub-clause (2) of section 11 of the Act, an indication to that effect and an indication of whether the earlier mark is registered or applied for;
  - (v) A representation of the mark of the opponent and where appropriate, a description of the mark or earlier right, and
  - (vi) Where the goods or services in respect of which earlier mark has been registered or applied for an in respect of which the earlier mark is well-known within the meaning of sub-section (2) of section 11 or has a reputation within the meaning of that section, the opponent shall when indicating all the goods or services for which the earlier mark is protected, also indicate those goods or services on which the opposition is based.
- (c) in respect of the opposing party-
  - (i) where the opposition is entered by the proprietor of the earlier mark or of the earlier right, his

- name and address and an indication that he is the proprietor of such mark or right;
- (ii) where opposition is entered by a licensee not being a registered user, the name of the licensee and his address and an indication that he has been authorized to enter the opposition.
  - (iii) where the opposition is entered by the successor in title to the registered proprietor of a trade mark who has not yet been registered as new proprietor, an indication to that effect, the name and address of the opposing party and an indication of the date on which the application for registration of the new proprietor was received by the appropriate office or, where this information is not available, was sent to the appropriate office; and
  - (iv) where the opposing party has no place of business in India, the name of the opponents and his address for service in India.

### Grounds of Opposition

Section 21, which provides for filing Notice of Opposition, does not refer to any ground on which the opposition may be filed. The opponent is thus at liberty to set up any ground which may support his opposition against the registration of the trade mark under any of the provisions of the Trade Marks Act, 1999 and the Rules prescribed thereunder.

However, under section 11(5), a trade mark shall not be refused registration on the grounds specified in subsection (2) and (3), unless objection on any one or more of those grounds is raised in opposition proceedings by the proprietor of the earlier trade mark.

In this connection, it is to be noted that section 9 contains 'absolute grounds for refusal of registration' and section 11 contains provision for 'relative grounds for refusal of registration'. [See also section 12, section 13, section 14 and section 18, which may form grounds of opposition].

The following is a list of possible grounds for opposition to the registration.

- (1) That the trade mark advertised is not registrable in that it is neither distinctive nor capable of distinguishing or that it does not satisfy the requirements of the Act as to registrability;
- (2) The essential part of the said trade mark is a word in ordinary use, descriptive of the character or quality of the goods and the applicant is not entitled to acquire an exclusive right therein by registration;
- (3) That the trade mark is not capable of being represented graphically;
- (4) That the trade mark is devoid of distinctive character, that is to say, not capable of distinguishing the goods, or services of one person from those of another person;
- (5) That the trade mark consists exclusively of marks of indication which may serve to designate the kind, quality, intended purpose, values, geographical origin or the time of production of the goods or rendering of the services or other characteristics of the goods or services (mark which is directly descriptive of the character or quality of the goods or services or indicating geographical origin);
- (6) That the trade mark consists exclusively of marks or indications which have become in the current language or in the bona fide and established practice of the trade (may refer to generic names or marks common to the trade);
- (7) That the trade mark is of such a nature as to deceive the public or cause confusion;
- (8) That the trade mark contains or comprises of any matter likely to hurt the religious susceptibilities of any class or section of the citizens of India;

- (9) That the trade mark comprises or contains scandalous or obscene matter;
- (10) That the trade mark is:
  - (a) identical with or similar to an earlier trade mark, and
  - (b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is registered in the name of a different proprietor, and the earlier trade mark is a well known trade mark in India and the use of the later mark without due cause would take unfair advantage of or be detrimental to the distinctive character or repute of the earlier trademark;
- (11) That the use of the applicant's mark would be an infringement of the opponent's registration which could be restrained by the Court and the mark is therefore disentitled to protection in a Court;
- (12) That the applicants are not entitled to registration under s. 12 of the Act;
- (13) That the user claimed in the application for registration is not true;

## GROUNDS FOR REFUSAL TO REGISTRATION

### Absolute Grounds

Section 9(1) to (3) of the Act lists the absolute grounds for refusal of registration. Section 9(1) prohibits the registration of those trade marks-

- (a) which are devoid of any distinctive character, that is to say, not capable of distinguishing the goods or services of one person from those of another person;
- (b) which consist exclusively of marks or indications which may serve in trade to designate the kind, quality, quantity, intended purpose, values, geographical origin or the time of production of the goods or rendering of the service or other characteristics of the goods or services; or
- (c) which consist exclusively of marks or indications which have become customary in the current language or in the bona fide and established practice of the trade.

However, a trade mark shall not be refused registration, if the mark has in fact acquired a distinctive character as a result of the use made of it or is a well known trade mark before the date of application for registration.

The basis of Section 9(1) is that a trader should not obtain a statutory monopoly through registration in a word which another trader might legitimately wish to use. A competitor should of course be entitled to make *bonafide* use of the word, to describe his goods or the place of manufacture. If a word, however, through use has become clearly associated in public mind with the goods/service of a particular trader, then it could not be legitimately used as a trade mark by a competitor. For this purpose the onus is on the applicant to show by cogent evidence that the trade mark, by reason of use has acquired distinctiveness in relation to his goods or services.

If a trade mark is devoid of distinctive character, the same can not be registered. In *Ambalal Sarbhai Enterprises Limited v. Tata Oil Mills Company Limited 1988 OTC 73 Bom*, it was held that the word PROMIX was distinctive. The Court held that even though there are many trade marks in the register with the prefix PRO which is common to the trade, the applicants have particularly coined the word PROMIX and the same was not known earlier. Applicants are the proprietors of a series of trade marks having prefixed PRO as a leading distinguishing feature. Their trade mark is distinctive and so can be registered under the Act.

Length of user is a material factor to acquire distinctiveness in a trade mark (*Durga Dutt Sarma v. Navaratna Pharmaceutical Laboratories, AIR 1962 Ker 156*). This view was affirmed in *Kaviraj Pandit Durga Dutt Sharma*

*v. Navaratna Pharmaceuticals Laboratories, AIR 1965 SC 980.* The Apex Court held that the length of user would, of course, be a material factor for the mark to become distinctive.

*F. Hoffmann La Roche and Co. Ltd. v. Geoffrey Manners and Co. Pvt. Ltd., AIR 1970 SC 2062,* the Supreme Court held that if the word DROPOVIT is not a descriptive word it must be an invented word. It is true that the word DROPOVIT is coined out of words commonly used by and known to ordinary persons knowing English. But the resulting combination produces a new word, a newly coined word which does not remind an ordinary person knowing English of the original words out of which it is coined unless he is so told or unless at least he devotes some thought to it. It follows that the word DROPOVIT being an invented word, is entitled to be registered as a trade mark and is not liable to be removed from the Register on which it already exists. [See also *Eastman Photographic Materials v. The Comptroller General, (1898) 15 RPC 476; Nestle v. Thankaraja, AIR 1978 Mad336*].

In *Mahendra & Mahendra Paper Mills Ltd. v. Mahindra & Mahendra Ltd., AIR 2002 SC 117,* the Supreme Court observed.

“...the name has acquired a distinctiveness and a secondary meaning in the business or trade circles. People have come associate the name “Mahindra” with a certain standard of goods and services. Any attempt by another person to use the name in business and trade circles is likely to and in probability will create an impression of a connection with the plaintiffs’ group of companies. Such user may also affect the plaintiff prejudicially in its business and trading activities.”

Section 9(2) states that a mark shall not be registered as a trade mark if –

- (a) it is of such nature as to deceive the public or cause confusion;
- (b) it contains or comprises of any matter likely to hurt the religious susceptibilities of any class or section of the citizens of India;
- (c) it comprises or contains scandalous or obscene matter;
- (d) its use is prohibited under the Emblems and Names (Prevention of Improper Use) Act, 1950.

Under Section 9(2), if the confusion arises from any factor whatsoever, even without involvement of any other mark or there being no similarity with any other mark, the registration may still be refused if the impugned mark is of such nature that it will cause confusion. For a successful opposition the opponent has to establish by proper evidence that its mark had acquired reputation by use and the mark of the applicant if registered is likely to cause confusion (*Anglo-French Drug Co. v. Brihans Laboratories, 1995 IPLR7*).

The medical preparations sold at the prescription by doctors and supplied by qualified pharmacists have been considered a special case for determining deceptive similarity. The test was not of the ordinary customers but whether the pharmacists or doctors would be confused. Therefore, in the field of drugs and chemicals, the names with small variations are allowed. In *Burrough Wellcome v. Uni Sole Pvt. Ltd., 1999 PTC 188,* the Bombay High Court has applied the test of person of ordinary intelligence as against doctors and pharmacists. The Court took the judicial notice of the fact that various medicines which are required by law to be sold per prescription, in actual practice they are sold without such prescription inspite of the mandate of the law.

In *Group Pharmaceuticals v. Alkem Labs. 1996, PTC (16)117,* opponents objections were sustained and the registration of the trade mark Metro-D for pharmaceutical preparations when opposed by the proprietor of Metro-N was refused as customers of ordinary prudence and average intelligence are likely to be deceived. [See also *Group Pharmaceuticals v. A.H. Robins Co., 2000 PTC 60 Mumbai Registry; Pioneer Bakers (P) Ltd. v. Kraft Jacobs, 1998 PTC 502*]

Section 9(3) prohibits registration of a mark, if it consists exclusively of shape of goods which results from the nature of the goods themselves or which is necessary to obtain a technical result or which gives substantial value to the goods. It is, however, explained that the nature of goods or services in relation to which the trade mark is used or proposed to be used shall not be a ground for refusal of registration.

Section 9(3) is intended to prevent permanent monopolies being created under the Trade Marks Act, by reason of trade marks constituted by the shape of goods giving the proprietor a permanent and substantial advantage over his potential competitors. It is considered that will create unacceptable distortions in the market.

In order to avoid an objection, a mark constituted by a shape must be sufficiently different from a shape which is-

- (a) characteristic of the product;
- (b) the norm or customary in the sector concerned.

In other words, the shape should not be descriptive and must stand out from the crowd, and in the case of new product development must not be a shape likely to be taken for the product concerned.

The fact that functional claim has been previously made in a patent application will be prima facie evidence that those aspects of the shape covered by the patent claim are necessary to achieve a technical result. This will attract objection under section 9(3)(b). The test is whether there are any significant aspects of the shape or its arrangement which are not only attributable to the achievement of a technical result.

The shape of an ornamental lamp, for example would appear to add substantial value to the goods by making it attractive. This would attract objection under section 9(3)(c) and also 9(3)(a).

### Relative Grounds (Section 11)

Section 11 of the Act stipulates that where there exists a likelihood of confusion on the part of the public because of the identity with an earlier trade mark or similarity of goods or services, the trade mark shall not be registered. The registration of a mark which is merely reproduction or imitation of a well-known mark is also prohibited. Sub-section (3) prohibits the registration of a trade mark if or to the extent that, its use in India will be prevented by law of passing off or under the law of copyright unless the proprietor of the earlier trade mark consents to such registration.

The term “earlier trade mark” as per the Explanation appended to this Section means a registered trade mark or an international registration or a convention application which has a date of application earlier than the trade mark in question, or a trade mark, which on the date of application for registration or on the date of priority claimed was entitled to protection as a well known trade mark.

The proprietor of earlier trade mark is entitled to oppose the registration of a trade mark and prove it. In the opposition proceeding the Registrar shall protect a well-known trade mark against identical or similar trade marks and take into consideration the bad faith of either the applicant or the opponent affecting the rights relating to the trade mark. Further, the section also lays down the factors which the Registrar is required to take into account while determining the status of a well-known trade mark. The Section also lays down the facts to be considered by the Registrar in determining whether a trade mark is known or recognised in a relevant section of the public.

What is a well known trade mark, the Delhi High Court held in *Tata Sons Ltd. v. Mr. Md. Jawed & Anron (March, 2011)* held that a well known trade mark is a mark which is widely known to the relevant section of the general public and enjoys a comparatively high reputation amongst them. On account of advancement of technology, fast access to information, manifold increase in international business, international travel and advertising/

publicity on internet, television, magazines and periodicals, which now are widely available throughout the world of goods and services during fairs/exhibitions, more and more persons are coming to know of the trade marks which are well known in other countries, and which on account of the quality of the products being sold under those names and extensive promotional and marketing efforts, have come to enjoy trans-border reputation. It is, therefore, being increasingly felt that such trade marks need to be protected not only in the countries in which they are registered but also in the countries where they are otherwise widely known in the relevant circles so that the owners of well known trade marks are encouraged to expand their business activities under those marks to other jurisdictions as well.

Further, the Court observed that the owner of a well known trade mark may (i) seek cancellation or (ii) prevent registration of a trade mark which is same or similar to the well known mark irrespective of whether the impugned mark is in relation to identical or similar goods or services or in relation to other categories of goods or services. He may also prevent others from incorporating the well known trade mark as a part of their corporate name/business name. Even if a well known trade mark is not registered in India, its owner may avail these rights in respect of the trade mark registered/used or sought to be registered/used in India, provided that the well known mark is otherwise known to or recognized by the relevant section of public in India. The Trade Marks Act, 1999 accords a statutory protection to well known marks, irrespective of whether they are Indian marks or foreign marks. The existence of actual confusion or a risk of confusion is, however, necessary for the protection of a well known trade mark, as a result of infringement.

### **Concurrent Use - Exception to Section 11**

To all the relative grounds of refusal, the Trade Marks Act, 1999 allows one exception in Section 12. As per Section 12 in the case of honest concurrent use, or of other special circumstances which make it proper so to do, the Registrar may permit the registration of trade marks which are identical or similar in respect of the same or similar goods or services, irrespective of the fact that any such trade mark is already registered or not. This is done so if in the opinion of the Registrar it is proper so to do in favour of more than one proprietor of trade mark. In such an event the Registrar is empowered to impose such conditions and limitations, as he deems fit. The provisions establish the superiority of trade mark rights acquired by use.

### **RIGHTS CONFERRED BY REGISTRATION**

The registration of a trade mark confers on the registered proprietor of the trade mark the exclusive right to use the trade mark in relation to the goods or services in respect of which the trade mark is registered. While registration of a trade mark is not compulsory, it offers better legal protection for an action for infringement. As per Section 17 of the Act, the registration of a trade mark confers the following rights on the registered proprietor:

- (i) It confers on the registered proprietor the exclusive right to the use of the trade mark in relation to the goods or services in respect of which the trade mark is registered.
- (ii) If the trade mark consists of several matters, there is an exclusive right to the use of the trade mark taken as a whole. If the trade mark contains matter common to trade or is not of a distinctive character, there shall be no exclusive right in such parts.
- (iii) It entitles the registered proprietor to obtain relief in respect of infringement of the trade mark in the manner provided by the Trade Marks Act, 1999 when a similar mark is used on (a) same goods or services, (b) similar goods or services, (c) in respect of dissimilar goods or services.
- (iv) Registration of a trade mark forbids every other person (except the registered or unregistered permitted user) to use or to obtain the registration of the same trademark or a confusingly similar mark in relation

to the same goods or services or the same description of goods or services in relation to which the trade mark is registered.

- (v) After registration of the trade mark for goods or services, there shall not be registered the same or confusingly similar trade mark not only for the same goods or services but also in respect of similar goods or services by virtue of Section 11(1) of Trade Marks Act, 1999.
- (vi) Moreover, after registration of the trade mark for goods or services, there shall not be registered the same or confusingly similar trade mark even in respect of dissimilar goods or services by virtue of Section 11(2) in case of well-known trademarks.
- (vii) Registered trade mark shall not be used by any one else in business papers and in advertising. Use in comparative advertising should not take undue advantage of the trade mark. Such advertising should not be contrary to honest practices in industrial or commercial matters. The advertising should not be detrimental to the distinctive character or reputation of the trademark.
- (viii) There is a right to restrict the import of goods or services marked with a trade mark similar to one's trademark.
- (ix) There is a right to restrain use of the trade mark as trade name or part of trade name or name of business concern dealing in the same goods or services.

The registered trade mark continues to enjoy all the rights which vest in an unregistered trade mark. By registration the proprietor of an unregistered trade mark is converted into proprietor of the registered trade mark. An application for registration may be based on a trade mark in use prior to such application and such a trade mark is already vested with rights at Common law from the time the use of the mark was commenced.

## **INFRINGEMENT OF REGISTERED TRADEMARKS**

Infringement, very broadly means taking unfair advantage or being detrimental to the distinctive character or reputation of a trade mark.

Under the Trade Marks Act, 1999 the meaning of infringement has been enlarged as more actions shall be taken as constituting infringement which are listed in Section 29.

Section 29 dealing with infringement of trade marks explicitly enumerates the grounds which constitute infringement of a registered trade mark. This section lays down that when a registered trade mark is used by a person who is not entitled to use such a trade mark under the law, it constitutes infringement. This section clearly states that a registered trade mark is infringed, if the mark is identical and is used in respect of similar goods or services; or the mark is deceptively similar to the registered trade mark and there is an identity or similarity of the goods or services covered by the trade mark; or the trade mark is identical and is used in relation to identical goods or services; and that such use is likely to cause confusion on the part of the public or is likely to be taken to have an association with the registered trade mark.

Sub-section (4) states that a person shall be deemed to have infringed a registered trade mark, if he uses a mark which is identical with or similar to the trade mark, and is used in relation to goods or services which are not similar to those for which trade mark is registered; and the registered trade mark has a reputation in India and the use of the mark without due cause would take unfair advantage of or is detrimental to the distinctive character or repute of the registered trade mark. Sub-section (5) prohibits a person from using someone else's trade mark, as his trade name or name of his business concern or part of the name of his business concern dealing with goods or services in respect of which trade mark is registered.

A person shall be deemed to have used a registered trade mark in circumstances which include affixing the mark to goods or packaging, offering or exposing the goods for sale or supply of services, importing or exporting the goods, using the trade mark as trade name or trade mark on business paper or in advertising. A person shall also be deemed to have infringed a registered trademark if he applies such registered trademark to a material intended to be used for labelling or packaging goods as a business paper, or for advertising goods or services knowing that the application of such mark is not authorised by the proprietor or licensee. Advertising of a trademark to take unfair advantage of, or against the honest industrial or commercial practices or which is detrimental to the distinctive character or is against the reputation of the trade mark shall constitute an infringement under Section 29(8) of the Act. Where the distinctive element of a registered trade mark consists of words, the spoken use of such words as well as visual representation for promoting the sale of goods or promotion of service would constitute infringement under Section 29(9) of the Act.

The infringement action is a statutory remedy available to the registered proprietor or to the registered user, based on statutory rights conferred by registration of a trade mark, subject to other restrictions laid down in Sections 30, 34, 35 of the 1999 Act.

An infringement action is available to the registered proprietor or registered user to enforce his exclusive right over the trade mark in relation to the goods in respect of which it is registered. If at the time of registration of trade mark, certain limitations or conditions have been imposed, then, the exclusive right has to be evaluated within the terms of such registration. If an offending use of the mark fulfils the conditions laid down in Section 29(1) discussed above, it squarely constitutes infringement.

In *M/s J K Oil Mills v. M/s Adani Wilmar Ltd.*, 2010 (42) PTC 639 (Del.), the Delhi High Court held that in order to constitute infringement under the provisions of Section 29 of the Trade Marks Act, it would be necessary to show that impugned trade mark (label) is identical or deceptively similar to the registered trade mark. And once the plaintiff is able to establish that the impugned trade mark (label) is identical or deceptively similar to the registered trade mark (label) then, it matters little whether the defendant is using the impugned mark/label in respect of the goods and services which are not similar to those in respect of which the trade mark is registered.

In *Parle Products v. J P & Co.* AIR 1972 SC 1359, the Apex Court observed that in this case the packets are practically of the same size, the colour scheme of the two wrappers is almost the same; the design on both, though not identical, bears such close resemblance that one can easily be mistaken for the other. The essential features of both are that there is a girl with one arm raised and carrying something in the other with a cow or cows near her and hens or chickens in the foreground. In the background there is a farm house with a fence. The words "Gluko Biscuits" on one and "Glucose Biscuits" on the other occupy a prominent place at the top with a good deal of similarity between the two writings. Anyone, in our opinion, who has a look at one of the packets on a day, may easily mistake the other if shown on another day as being the same article which he had seen before. If one was not careful enough to note the peculiar features of the wrapper on the plaintiffs' goods, he might easily mistake the defendant's wrapper for the plaintiffs' if shown to him some time after he had seen the plaintiffs. After all, an ordinary purchaser is not gifted with the powers of observation of a Sherlock Holmes.

The Court held that the defendants' wrapper is deceptively similar to the plaintiffs' registered trade mark. For infringement nothing more is required to be proved. These days such cases which rely more on visual similarity involving get-up are classified in cases involving Trade Dress.

In *S.M. Dychem v. Cadbury India* 2000 PTC 297 (SC), the Apex Court said that on the first impression we are of the view that the dissimilarities appear to be clear and more striking to the naked eye than any similarity between the marks, and on the whole the essential features of two marks are different. The Court further said that if the essential features have been copied, the intention to deceive or cause confusion is not relevant in an

infringement action. If a false representation is made out even when there is no intention to deceive or confuse it is sufficient to constitute infringement. However, in the present case on the question of relative strength, the decision must go in favour of the defendant and the High Court was right.

Thus, new trade marks made by introducing dissimilarities in the trade mark, which are based on the materials or features which are already incorporated in the existing trade marks, may not constitute infringement of such earlier trade marks if the totality of impression produced by the new mark is not confusing even though there are many similar parts in the trade mark.

The *Calcutta High Court in Hearst Corp. v. Dalal Street Communication Ltd.* 1996 PTC 126 at 129 (Cal), said that in an action for infringement – (a) the plaintiff must be the registered owner of a trade mark; (b) the defendant must use a mark deceptively similar to the plaintiff's mark; (c) the use must be in relation to the goods in respect of which the plaintiff's mark is registered; (d) the use by the defendant must not be accidental but in the course of trade. In the present case, the plaintiff had been publishing a monthly magazine from 1933 and selling the same in the name of its registered trade mark 'Esquire' since 1942. The plaintiff also owned the copyright in the script, get-up and style in which the trade mark 'Esquire' is retailed. From October, 1994 the defendant started publishing a monthly magazine with the name 'Esquare'. Relying on the *Pianotist Co. Ltd. (1906) 23 RFC 774, Roche & Co. v. Manners & Co. (P) Ltd., AIR 1970 SC 2062 & 2064* wherein it was held that it must be seen whether there was an overall similarity between the two names in respect of the same description of goods, both visually as well as phonetically, the Court remarked that the covers of the magazines of the defendant would appear to be framed with the idea of attracting the male interest whatever might be the contents. For these reasons, on the basis of the phonetic similarity, it appears to be clear that an unwary purchaser of average intelligence and imperfect recollection would be likely to confuse the defendant's use of the mark 'Esquare' on its magazine with the plaintiff's publication 'Esquire'. Another way of considering the issue of infringement is if the defendant's mark was an imitation of the plaintiff's mark. This, of course, implies a certain lack of *bona fides* on the imitators' part. Injunction was issued to restrain the defendant from infringing registered trade mark of the plaintiff. [See also *Amritdhara Pharmacy v. Satya Deo AIR 1963 SC 449*].

In *Brooke Bond India v. C. Patel & Co., 1993 IPLR 220 (Cal.)*, the Court held that application by the defendants of the trade mark Taj Tea in India on the packets of tea is an infringement of the registered trade mark of the plaintiff. Interim injunction was issued even though the defendant was willing to alter the colour scheme and get up of his packets bearing trade mark Taj Tea. In *Cox Distillery v. McDowell & Co., 1999 PTC 507*, the Court said that there is deceptive similarity between the label used by the plaintiff as his trade mark and the one introduced by the defendant. It amounts to infringement of the plaintiff's trade mark within the meaning of Section 29(1). The defendant was restrained from using COX DIPLOMAT premium Whisky as the defendant used the logo and print of similar size and word DIPLOMAT on label with the printed figure of human being which made his label similar to the registered trade mark of the plaintiff. [ See also *Kewal Krishan Kumar v. Master Hawa Singh, 2000 PTC206; Amar Singh chawalwala v. Shree Wardhman Rice, 1996 PTC 196; J. R. Kapoor v. Micronix, 1994 Supp (3) SCC 215; Himalaya Drug v. SBL Ltd. 1996, PTC 553*].

The Calcutta High Court in *East and Hosiery Mills Pvt. Ltd. v. Agarwal Textiles Mills, AIR 1971 (Cal)*, considered the resemblance in respect of the get up of the two marks phonetically 'Moti' and 'Sacha Moti'. It was found by the Court that 'Sacha Moti' was used by the defendants to imitate the name 'Moti' of the plaintiffs. There is phonetic similarity between the words. The explanation that the name 'Moti' has been taken from Moti Ram Gupta, father of one of the partners of the defendant firm was not accepted by the Calcutta High Court in the above case. Therefore, even though the defendant used his father's name, it was held that the defendant's use of the name and mark was likely to deceive or cause confusion or injury to the goodwill of the plaintiff's business.

The Supreme Court in *Ramdev Food Products (P) Ltd. v. Arvind Bhai Rambai Patel, 2006 (8) SCC 726*, held

that a trade mark is the property of the manufacturer. The purpose of a trade mark is to establish a connection between the goods and the source thereof which would suggest the quality of goods. If the trade mark is registered, indisputably the use thereof by a person who is not otherwise authorised to do so would constitute infringement.

In *T.V. Venugopal v. Ushodaya Enterprises Ltd.*, (2011) 4 SCC 85, the Supreme Court noted that the respondent's mark "Eenadu" had acquired extraordinary reputation and goodwill in the State of Andhra Pradesh. It was held that the Appellant was clearly attempting to utilise the reputation and goodwill of the Respondents. The Court reasoned that allowing the Appellant to use the mark would create confusion in the mind of the consumers, leading the consumers to think that the incense sticks were manufactured by the Respondent's company. The Court said that permitting the Appellant to use the trade mark would lead to the erosion of the extra-ordinary reputation and goodwill acquired by the Respondent. The law is consistent that no one can be permitted to encroach upon the reputation and goodwill of other parties. This approach is in consonance with protecting proprietary rights of the Respondent company.

Delhi High Court in *Infosys Technologies Ltd. v. Adinath Infosys Pvt. Ltd. & Ors*, (November, 2011) held that by using the word INFOSYS which is the registered trade mark of the plaintiff as the key feature of its corporate name, defendant has clearly infringed the registered trade mark of the plaintiff. The Court restrained the defendant from using the expression "INFOSYS" or any other expression which is identical or deceptively similar to the trade mark "INFOSYS" as a part of its corporate name or for providing any of the services in which the plaintiff-company is engaged.

***Raj Kumar Prasad & anr V. Abbott Healthcare Pvt Ltd [DEL] FAO(OS) 281/2014 Pradeep Nandrajog & Mukta Gupta, JJ. [Decided on 10/09/2014]***

**Brief facts:**

It is the case of Abbott that the predecessor-in-interest of the registered trademark 'ANAFORTAN' used the same extensively and widely for the medicines manufactured and sold in the market and since September, 2010 Abbott had been doing so. Thus, Abbott had established a good will and reputation in the mark 'ANAFORTAN'. As per Abbott it had sold pharmaceutical products under said trademark in sum of Rs.7.84 crores between September to December, 2010 and 23.047 crores between January and December, 2011. The grievance was that Raj Kumar Prasad, carrying on business as a sole proprietor of Birani Pharmaceuticals, was selling pharmaceutical products containing Camylofin Dihydrochloride under the brand name 'AMAFORTEN'. Concerning the second defendant Alicon Pharmaceuticals Pvt. Ltd. the grievance was that it was manufacturing the medicinal preparations for Raj Kumar Prasad, to be sold under the mark 'AMAFORTEN'. It is the case of Abbott that Raj Kumar Prasad surreptitiously obtained, vide registration No.1830060 under class 5, the registration of the mark 'AMAFORTEN' for which Abbott intends to file rectification proceedings.

**Decision: Appeal dismissed Reason:**

The view taken by the learned Single Judge is based upon a reading of Section 124 of the Trademarks Act, 1999. The learned Single Judge has held that a registered proprietor of a trademark is entitled to sue a registered proprietor of a trademark if the latter is identical with or nearly resembles the other. Holding that the suit would be maintainable, the learned Single Judge has held that the trademark used by the defendants 'AMAFORTEN' is ex-facie phonetically and visually deceptively similar to that of Abbott 'ANAFORTAN'.

The learned Single Judge has noted that through its predecessors Abbott had been using the trademark 'ANAFORTAN' extensively since the year 1988 and thus has enjoined the defendants from selling its product under the trademark 'AMAFORTEN' or any other mark deceptively similar to that of Abbott.

Ex-facie there is visual and phonetic deceptive similarity in the trademark 'AMAFORTEN' in comparison with the trademark 'ANAFORTAN'. It has to be kept in mind that the competing goods are pharmaceutical preparations, the class of the goods is the same; the consumer is the same and the trade channel is the same. Concededly through its predecessors-in-interest Abbott has inherited the good will and reputation in its trademark 'ANAFORTAN' and would be entitled to protect the same. Whereas through its predecessors-in-interest Abbott is in the market since the year 1988 defendant entered the market somewhere in the year 2012 when the suit was filed. We note that the defendant has consciously not disclosed in the written statement the day it started selling the goods in the market. From the documents filed by the defendants we find that it applied to the Registrar of Trademarks for registration of the trademark 'AMAFORTEN' on June 17, 2009 and was granted registration on July 12, 2011. Tested on the legal principles laid down by the Supreme Court in the case of *Wander Ltd. & Anr. Vs. Antox India P.Ltd reported as 1990 (Supp.) SCC 727*, we find no infirmity in the view taken by the learned Single Judge and thus would dismiss the appeal.

***Easygroup IP Licensing Ltd & Anr V. Easyjet Aviation Services Pvt Ltd & Anr [DEL]CS(OS) 157/2010 Vipin Sanghi, J. [Decided on 19/08/2013]***

**Brief facts:**

This suit for grant of permanent injunction restraining infringement of registered trademark, passing off, delivery up and damages has been filed by Plaintiffs no 1 and 2, which are companies incorporated under the laws of England and Wales against defendant no 1, a company incorporated under the Companies Act 1956 and defendant no 2, who is the director of defendant no 1, in respect of the alleged infringement and passing off of the plaintiff's registered trademark "easyJet".

The plaintiff no 1 is the owner and plaintiff no 2 is the licensed user of the registered trademark "easyJet" (hereinafter referred to as the suit trademark). The suit trademark was adopted by plaintiff no 2- which is wholly owned by EasyJet, plc, a company listed on the London Stock Exchange; in the year 1995 in respect of a low cost carrier airline operated by plaintiff no 2. In the year 2000, on account of reorganization of business, the suit trademark was assigned by plaintiff no 2 to plaintiff no 1. Subsequently via Brand License Agreement dated 05.11.2000, plaintiff no 1 licensed the use of the suit trademark to plaintiff no 2.

The plaintiffs allege that the defendant no. 1 company having its principal place of business in Mumbai is trading in the name and style of "EasyJet Aviation Services Limited". It is engaged in facilitating air charters, air craft management as well as buying and selling of aircrafts as middlemen. The plaintiffs allege that defendant no 1 is malafidely using the aforesaid trademark "EasyJet" in relation to services that are identical to those covered by the classification in which the plaintiffs mark "easyJet" is registered.

**Decision: Suit decree Reason:**

A perusal of the trademark registration certificate, Exhibit PW1/36, of the plaintiffs' reveals that the plaintiff's mark "easyJet" was first registered in the United Kingdom in 1995 in respect of class several classes including class 39 which covers the services offered by the plaintiffs and the defendants. Subsequently, the suit trademark was granted registration in India in various classes from 2001 onwards- in class 16 vide Exhibit PW 1/44 dated 07.02.2001 and the most important for the purpose of this suit being class 39, registration whereof was granted on 07.12.2004 vide Exhibit PW1/41. As aforementioned, class 39 includes, but is not restricted to transportation of goods, passenger and travelers by air; airline and shipping services; airport check in service; chartering of aircraft; rental and hire of aircraft etc.

The plaintiff's website www.easyJet.com, went live in 1995. The said website has been accessible to Indians who wish to travel on the plaintiff no 2's airline on its operational routes abroad since 1998. A significant aspect

of the plaintiff's business model is its elimination of ticketing agents through its website that provides customers the convenience of booking tickets online as far back as 1998. Exhibit PW1/15 is an article dated 08.03.2001 in the magazine "Economist" stating that several airlines, including the plaintiff no 2's airline, sell up to 90% of their tickets online.

Exhibit PW 1/29 is a printout from an Indian online travel portal [www.cleartrip.com](http://www.cleartrip.com) showing the details, routes, destinations, flights and company information of the plaintiff's operations. The website [cleartrip.com](http://cleartrip.com) also provides a link to the plaintiff's website. This evidences the fact that even besides the plaintiff's own website, Indians can book tickets on the plaintiff no 2's airline via Indian online travel portals too. Exhibit PW1/10 is a summary of visits from Indian IP addresses to the plaintiff no 2's website. The same shows that between 2008-2010, 28416 bookings were made by clients accessing the website from India.

Furthermore, Exhibit PW1/14 is an article dated 16.11.2000 in the magazine "The Economist" referring to several low cost airlines including plaintiff no 2 and its plan to increase the density of its flights. Exhibit PW 1/19 is a list of top 5 best companies in marketing according to "FORBES Asia" magazine featuring the plaintiff no 2 at fifth position. Exhibit PW1/21 is an article dated 23.07.2001 in International magazine "TIME" discussing the easy group's successful marketing strategy. Similarly exhibits PW1/22, PW1/23 and PW1/24 are write ups in "TIME" magazine about low cost carriers and the plaintiff no 2 airline dated 26.11.2001, 22.05.2002 and 04.08.2002 respectively. The aforesaid demonstrates that the plaintiff no 2 has consistently been covered in international news and magazines as a successful marketing phenomenon. In *Allergan Inc v. Milmet Oftho Industries*, 1997 2 CAL LT, it was held that internationally established reputation is enough to entitle the plaintiff to sue in India, even if he has no business in India.

Keeping in view the aforesaid, I am of the view that the plaintiffs have established prior use of the trademark since 1995 - when it was first registered, and since 1998 when their services became accessible to Indians via their website. In *Caesar Park Hotels & Resorts v. Western Hospitality Services*, AIR 1999 Mad 396, it was held that if the plaintiffs have customers in a country, it can be presumed that they enjoy a reputation in that country. Owing to the fact that Indians could access the plaintiff no 2's services through its website as far back as in 1998, I am of the view that the same is sufficient to constitute prior use. By virtue of Section 28 of the Act, a registered proprietor of the trademark has the exclusive right to the use of the trademark in relation to the goods and services in respect of which the trademark is registered and to obtain relief against infringement of the trademark.

The defendants are using the impugned trademark in respect of identical services covered under class 39 in which the plaintiffs enjoy their registration. Therefore, the action of the defendants squarely amounts to infringement under Section 29. Having already established that the plaintiffs enjoy a considerable amount of reputation, there is no iota of doubt that the use of the suit trademark by the defendants in respect of identical services is likely to cause confusion and mislead the public into believing that the services of the defendant are associated with the plaintiff no 2's airline.

It is also pertinent to note that the suit trademark is a coined word. No explanation has been offered by the defendants as to why they chose the suit trademark. The defendants have chosen not to contest the present proceedings and, therefore, the only valid inference that can be drawn is that the defendants adopted the impugned trademark to ride on the plaintiffs' goodwill and popularity.

In the present case too, the plaintiff no 2 and the defendants are operating in the same sphere of activity. The services provided by the plaintiff no 2 and defendants are identical in nature. Therefore, the likelihood of confusion and deception is strong on account of the public at large associating the defendants' services to be those offered by the plaintiff no 2. The acts of the defendants in using the impugned trademark coupled with a

lack of plausible explanation offered by the defendants for the same, leads to the conclusion that the defendants are in fact passing off their services as those of the plaintiffs in an attempt to cash in on the plaintiff's reputation worldwide as well as in India. Accordingly, the suit is decreed in favour of the plaintiffs.

***Hawkins Cookers Ltd v. Murugan Enterprises [DEL] RFA (OS) 09/2008 Pradeep Nandrajog & Siddharth Mridul, JJ. [Decided on 13/04/2012]***

**Brief facts:**

The appellant is the registered proprietor of the trademark HAWKINS in respect of pressure cookers and parts thereof, including gaskets. The respondent manufactures and sells gaskets under the trademark MAYUR, but on the packaging material indicating "Suitable for: Hawkins Pressure Cookers". Whereas the words suitable for and Pressure Cookers are printed in black colour, the word Hawkins is printed in red colour and thus it is apparent that the intention is that the word Hawkins catches the eye.

The appellant alleges that by so writing on the packaging material, the respondent is infringing upon its registered trademark. It is the case of the appellant that the gaskets pertaining to pressure cookers are not manufactured by the respondent for any particular brand of pressure cooker, much less Hawkins Pressure Cookers and that the gaskets of pressure cookers can fit any pressure cooker manufactured by any manufacturer, for the reason all pressure cookers have the same dimensions of the mouth and hence the lid size, the only correlation is to the capacity of a pressure cooker i.e. 1 liter, 2 liter etc. Thus, the appellant contends that the respondent cannot use the word Hawkins, which is the trademark of the appellant, in relation to the goods gaskets, forming part of Hawkins pressure cookers for the reason it is not reasonably necessary for the respondent to indicate that the gasket manufactured by it is adaptable to the pressure cookers manufactured by the appellant.

The Single Judge has proceeded on the basis, that as per the evidence, gaskets manufactured by the respondent are specially made, to be fitted in Hawkins Pressure Cookers, a fact noted by the learned Single Judge in paragraph 64 of the impugned decision. As per the appellant, this is not so. The gaskets manufactured by the respondent, as also other manufacturers, are neither designed, nor are capable of being designed, to be used in any particular kind of pressure cooker, for the reason all pressure cookers are so designed that the mouth of the pressure cooker and the corresponding lid is of same dimension; the only variation being with respect to the capacity of a pressure cooker. In other words, a gasket pertaining to a 1 liter capacity pressure cooker would fit all pressure cookers manufactured by all manufacturers.

**Decision: Appeal allowed. Defendant directed to modify the package. Reason:**

Now, at the heart of the matter in dispute in the instant appeal is when would it be a case of the use of the trademark being reasonably necessary in order to indicate that the goods are so adapted? The answer has to be found in the meaning of the two words reasonably necessary. Of the various meanings of the word necessary, one meaning is inherent in the situation. Of the various meanings of the word reasonable one meaning is just. Thus, the twin word reasonably necessary would mean that inherent in the situation it would be just; and in the context of Clause (d) of sub-section (2) of Section 30 of the Act, it would mean that where the goods which are claimed to be adaptable to some other goods would entitle the manufacturers of the goods which are adaptable to so indicate by reference to the trademark of the other goods provided it is just to so do and this would mean that the goods claimed to be adaptable are specifically manufactured to be used as a part of the other goods alone. This will not apply where the goods are capable of adaptable use to all goods manufactured by different manufacturers to which they are adaptable. In said circumstance to indicate on the goods that they are adaptable only to the goods of only one manufacturer would be a clear violation of the trademark of the said manufacturer and Section 30 (2) (d) would not come into aid.

Let us illustrate. A manufactures pump sets, having a motor, and a pulley, through the rotation of which, the pump is made to mechanically lift water. The motor, the pulley and the pump are three separate distinct constitutive elements of the pump set. The distance between the motor and the pump is unique to the pump set manufactured by A. B manufactures only pulleys.

These are used by various manufacturers of pump sets, saw mills, and flour mills etc. i.e. wherever electrical energy has to be converted into mechanical energy. The pulleys manufactured by B, which are adaptable to the pump sets manufactured by A, would obviously require B to so inform the consumer, and in such situation, if on the packaging material B were to indicate that the particular pulleys manufactured by him are adaptable to the pump sets manufactured by A this being the only way in which B can inform the buyer, no infringement of A's trade mark would result. To simply state, if A was to sell his pump sets under the trademark CHAMPION, B would be perfectly justified in writing or printing on the packaging material: Suitable for champion pumps. Of course, this would be subject to the condition that B prominently displays his trademark and does not give undue prominence to the word CHAMPION. But, if all the pump sets manufactured by different manufacturers have same distance between the motor and the pump and identical dimensional pulleys are used in all the pump sets, it would not be a case where B would be entitled to print on the packaging material that the pulley manufactured by him is suitable for a particular brand of pump sets. We note that the learned Single Judge has correctly noted the law: that if in the sale it becomes reasonably necessary for the manufacturer of adaptable goods, to refer to the trademark of the relatable goods, such reference would not amount to an infringement of the trademark under which the relatable goods are sold, but has misapplied the evidence on record. The error committed is by proceeding upon the premise that the evidence establishes that the respondent manufactures gaskets specifically for the special sizes of pressure cookers manufactured by the appellant, ignoring that the evidence is to the contrary. Clarifying that the undisputed evidence brings out that gaskets pertaining to pressure cookers, irrespective of the brand or the manufacturer, are identically designed for pressure cookers of different sizes i.e. smallest gaskets for one liter pressure cookers, bigger gaskets for two liter pressure cookers and yet bigger gaskets for three liter pressure cookers and so on; and thus a gasket of a particular size would fit the lid of all pressure cookers manufactured by different manufacturers of the same relatable size, would mean that it is not reasonably necessary to indicate, for the benefit of the consumer, that the adaptable goods relate to only one particular brand of pressure cookers.

It also needs to be highlighted that it has escaped the attention of the learned Single Judge that while writing: Suitable for Hawkins Pressure Cookers, the respondent has given undue prominence to the word Hawkins by printing it in a distinct red colour and the remaining words of the sentence are printed in black colour. Clarifying that the respondent, may, if it so chooses, indicate on the packaging material of the gasket that the gasket is suitable for all pressure cookers, as is being done by other manufacturers of gaskets, we allow the appeal.

***Larsen & Toubro Limited (L&T) v. Leuci Communications & Ors [DEL] CS (OS) No. 1958/2006 V.K. Jain, J. [Decided on 01/02/2011]***

**Brief facts:**

The plaintiff-company holds copyright in respect of trademark/logo LT (in a circle) vide Registration No.1169145 dated 24th January, 2003 under Class 9 under 4th Schedule to Trademarks Act, 1999. The plaintiff-company has a number of subsidiary companies which also use the name Larsen & Toubro as a part of their corporate name. The trademark/logo LT is registered in the name of the plaintiff No.1 also in various other classes viz. 2, 3, 4, 5, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 21, 22, 23, 24, 25, 26, 27, 29, 31 and 33. It is alleged that on 25th September, 2006, Mr Santanu Das, Sales Engineer in the Jamshedpur office of the plaintiff company purchased a charger from a shop in Muzaffarpur in Bihar and found that though the charger was made in China, L&T logo (in a circle) was printed on the top of the carton and it was also found engraved on the charger itself.

It is alleged that use and adoption of the mark L&T by the defendants is likely to cause confusion and give an impression to the public that the defendants are associated with the plaintiff company.

It is also alleged that the defendants have adopted/ copied the mark of the plaintiff in respect of goods mentioned in Class 9 which are covered by the plaintiff's registered mark and have thereby infringed the said trademark. It is also claimed that the whole intention of the defendants in adopting and using the trademark/logo of the plaintiff is to pass off their products as those of the plaintiff and to represent to the public that they are in some way connected with the plaintiff-company. The plaintiff has sought an injunction restraining the defendant from using its trademark/logo LT or any other mark which is deceptively similar to the registered trademark/logo of the plaintiff-company. The plaintiff has also sought injunction restraining the defendant from passing off its goods/products as those of the plaintiff-company. Damages amounting to Rs 20,01,600/- have also claimed by the plaintiff from the defendants. The plaintiff has also sought destruction of the infringing goods and packing material, etc.

**Decision: Suit decreed Reason:**

The registration of trademark/logo LT (in a circle) has been granted to the plaintiff-company not only in respect of telephones, but also their parts and accessories. It is difficult to dispute that mobile phones would be included in the list of telephones. A charger of a mobile telephone is an essential accessory and the mobile telephone cannot be charged without using the charger meant for the purpose. Hence, it cannot be disputed that the plaintiff-company holds copyright in mark/ logo LT (written in a circle) in respect of mobile phone chargers and this right is being held by the plaintiff-company continuously since 24th January, 2003, the registration being valid for 10 years.

A perusal of the carton in which the charger was purchased by an employee of the plaintiff-company would show that the mark/logo LT (in a circle) of the plaintiff-company has been simply re-produced on the carton. Though use of the word along with the mark/logo LT in a circle gives an impression that the mark/logo used on the carton was a registered mark/ logo of the manufacturer of the product, the defendants have not come forward to contest the suit and to claim any copyright in the aforesaid mark/logo. Since the plaintiff-company holds copyright in the mark/logo LT (in a circle) in respect of telephone accessories which would include a mobile phone charger, the defendants have no right to use the aforesaid mark/ logo on the carton in which the charger is being sold by them.

A trademark is infringed if either the same mark or a mark deceptively similar to that mark is used, without a license from its proprietor. In the case before this Court, the mark/ logo being used on the carton of the charger being a reproduction of the registered trademark/logo of the plaintiff company, the defendants have infringed the registered trademark/logo of the plaintiff by using that mark on the carton of their charger.

The mark LT, on account of its continuous user by the plaintiff company and considering the multifarious nature of the activities in which the plaintiff company is engaged, has come to be so associated with the plaintiff company and, therefore, anyone coming across a product bearing the name/logo LT is likely to get confused and assume that either this product was being manufactured and/or marketed by plaintiff company and/or that the plaintiff company was somehow or the other associated with the manufacturing/marketing of that product.

If another company uses this trademark/logo of the plaintiff company, the customer, particularly if he happens to be an unwary customer is likely to assume that the company manufacturing and/or marketing the product bearing the mark/ logo LT was either a group company/subsidiary company of the plaintiff or had some kind of arrangement/agreement with it for use of the aforesaid mark/logo.

For the reasons given in the preceding paragraphs, defendant Nos. 7 and 8 are hereby restrained from

manufacturing, selling, exporting, distributing or marketing any mobile charger using the registered mark/logo LT (in a circle) of the plaintiff company either on the product or on its packaging. Defendant Nos. 7 and 8 are also directed to destroy within eight weeks all the chargers and packaging, which bear the registered mark/logo of the plaintiff company. The plaintiff company has not proved any actual damages. Also, the Court needs to take note of the fact that a lot of energy and resources are spent in litigating against those who infringe the trademark and copyright of others and try to encash upon the goodwill and reputation of other brands by passing off their goods and/or services as those of that well known brand.

Considering the nature of the infringement and with a view to dissuade others from indulging into such activities, it is imperative that some punitive damages are awarded to the plaintiff company. I, therefore, award punitive damages amounting to Rs.50,000/- to the plaintiff company against defendant Nos. 7 and 8.

***S.V. Venugopal v. Ushodaya Enterprises Ltd. & ANR [SC] Civil Appeal Nos.6314-15 of 2001 Dalveer Bhandari & Radhakrishnan, JJ. [Decided on 03/03/2011]***

**Brief facts:**

The appellant is the sole proprietor of a firm carrying on business *inter alia* as manufacturers of and dealers in incense sticks (agarbathis) in the name and style of Ashika Incense Incorporated at Bangalore. The appellant started his business in the year 1988 and adopted the mark 'Ashika's Eenadu'. According to the appellant the word 'Eenadu' in Kannada language means 'this land'. In Malayalam and Tamil language it conveys the same meaning. In Telugu language it means 'today'. In consonance with the above meaning the appellant devised an artistic label comprising a rectangular carton in bottle green background with sky-blue border and in the centre, in an oval tricolour, the word 'Eenadu' is written.

The respondent company, who was engaged in the business of publishing a newspaper in Telugu entitled as 'Eenadu', served a cease and desist notice on the appellant which was replied by the appellant on 8.3.1995. The respondent company in the year 1999 filed a suit for infringement of copyrights and passing-off trade mark in the Court of Second Additional Chief Judge, City Civil Court, Hyderabad. The respondent company therein claimed that they have been in the business of publishing a newspaper, broadcasting, financing and developing a film city.

The City Civil Court had granted an *ex-parte* ad interim injunction restraining the appellant from using the expression 'Eenadu' and the same was confirmed on 27.12.1999. On appeal, the High Court of Andhra Pradesh suspended the interim injunction and permitted the appellant to dispose off their finished products to the tune of Rs.1 crore and also permitted the appellant to produce goods that were in the process of manufacture to the tune of Rs. 78 lakhs.

Meanwhile, the trial court partially decreed the suit of the respondent company. The appellant was enjoined from using the words 'Eenadu' in the State of Andhra Pradesh only. Both the parties filed appeals before the High Court of Andhra Pradesh. The learned Single Judge disposed of both the appeals by a common judgment/order where under the appeal filed by the respondent company was dismissed and the appeal filed by the appellant was allowed.

Aggrieved by the said order of the learned Single Judge, the respondent company filed Letters Patent Appeals before the Division Bench of the High Court, which allowed the appeal decreeing the O.S. No.555 of 1999. The Appellant appealed to the Supreme Court.

**Decision: Appeal disposed off. Reason:**

We have heard the detailed and comprehensive arguments advanced by the learned counsel for the parties.

We place on record our appreciation for the able assistance provided by the learned counsel for the parties in this case.

We have also carefully examined relevant decided Indian, English and American cases.

The respondent company's mark 'Eenadu' has acquired extraordinary reputation and goodwill in the State of Andhra Pradesh. 'Eenadu' newspaper and TV are extremely well known and almost household words in the State of Andhra Pradesh. The word 'Eenadu' may be a descriptive word but has acquired a secondary or subsidiary meaning and is fully identified with the products and services provided by the respondent company. The appellant is a Karnataka based company which has started manufacturing its product in Bangalore in the name of 'Ashika' and started selling its product in the State of Andhra Pradesh in 1995. The appellant started using the name 'Eenadu' for its Agarbathi and used the same artistic script, font and method of writing the name which obviously cannot be a co-incidence. The appellant company after adoption of name 'Eenadu' accounted for 90% of sale of their product Agarbathi.

On consideration of the totality of facts and circumstances of the case, we clearly arrive at the following findings and conclusions:

- (a) The respondent company's mark 'Eenadu' has acquired extraordinary reputation and goodwill in the State of Andhra Pradesh. The respondent company's products and services are correlated, identified and associated with the word 'Eenadu' in the entire State of Andhra Pradesh. 'Eenadu' means literally the products or services provided by the respondent company in the State of Andhra Pradesh. In this background the appellant cannot be referred or termed as an honest concurrent user of the mark 'Eenadu';
- (b) The adoption of the words 'Eenadu' is *ex facie* fraudulent and *mala fide* from the very inception. By adopting the mark 'Eenadu' in the State of Andhra Pradesh, the appellant clearly wanted to ride on the reputation and goodwill of the respondent company;
- (c) Permitting the appellant to carry on his business would in fact be putting a seal of approval of the court on the dishonest, illegal and clandestine conduct of the appellant;
- (d) Permitting the appellant to sell his product with the mark 'Eenadu' in the State of Andhra Pradesh would definitely create confusion in the minds of the consumers because the appellant is selling Agarbathies marked 'Eenadu' as to be designed or calculated to lead purchasers to believe that its product Agarbathies are in fact the products of the respondent company. In other words, the appellant wants to ride on the reputation and goodwill of the respondent company. In such a situation, it is the bounden duty and obligation of the court not only to protect the goodwill and reputation of the respondent company but also to protect the interest of the consumers;
- (e) Permitting the appellant to sell its product in the State of Andhra Pradesh would amount to encouraging the appellant to practice fraud on the consumers;
- (f) Permitting the appellant to carry on his business in the name of 'Eenadu' in the State of Andhra Pradesh would lead to eroding extra-ordinary reputation and goodwill acquired by the respondent company over a passage of time;
- (g) Appellant's deliberate misrepresentation has the potentiality of creating serious confusion and deception for the public at large and the consumers have to be saved from such fraudulent and deceitful conduct of the appellant.
- (h) Permitting the appellant to sell his product with the mark 'Eenadu' would be encroaching on the

reputation and goodwill of the respondent company and this would constitute invasion of proprietary rights vested with the respondent company.

- (i) Honesty and fair play ought to be the basis of the policies in the world of trade and business. The law is consistent that no one can be permitted to encroach upon the reputation and goodwill of other parties. This approach is in consonance with protecting proprietary rights of the respondent company.

Consequently, the appeals are disposed of in terms of the aforesaid observations and directions.

***M/s.Bademiya, Mumbai & Ors v. Mubin Ahmed Zahurislam [BOM] Notice of Motion No.386 of 2011 in Suit No.292 of 2011 S J Kathawalla, J. [Decided on 25/03/2011]***

**Brief facts:**

In the present Notice of Motion the plaintiffs have prayed for an order and injunction restraining the defendant from in any manner using in relation to any business of manufacturing and selling or dealing in eatables the trading name "BADEMIYAN" or any other trading name consisting of the word "BADEMIYA" written in any script or the impugned trademark and the impugned logo mark as appearing in the photograph Exhibit-H to the plaint, or any other deceptively similar mark so as to infringe the plaintiffs registered trademark bearing number 641759 in Class-29 and the plaintiffs' registered trademark bearing number 1738175 in Class-42 and to further restrain the defendant from passing off their goods and/or services as those of the plaintiffs. By consent of the parties the Notice of Motion is at the ad-interim stage taken up for final hearing.

The defendant contended that (a) that the plaintiffs' partnership firm is unregistered and hence the suit is not maintainable;(b) that the plaintiffs' trademark is registered under Class-29 for goods and not under Class-42 for rendering services and as the defendant is rendering the services by providing food items, the plaintiffs' trademark is not infringed by using the impugned trademark;(c) that the plaintiffs are carrying on an illegal business without any licenses; and (d) that the defendant's impugned mark is distinct and different from the plaintiffs' trademark.

**Decision: Injunction granted.**

**Reason:**

The question whether Section 69(2) is a bar to a suit filed by an unregistered firm even if a statutory right is being enforced or even if only a Common Law right is being enforced came up directly for consideration in this Court in *M/s. Raptokas Brett Co. Ltd. v. Ganesh Property*, [1998] SCC 184. In that case, the Bench clearly expressed the view that Section 69(2) cannot bar the enforcement by way of suit by an unregistered firm in respect of a statutory right or a common law right. On the facts of that case, it was held that the right to evict a tenant upon expiry of the lease was not a right 'arising from a contract' but was a common law right or a statutory right under the Transfer of Property Act. The fact that the plaint in that case referred to a lease and to its expiry, made no difference. Hence, the said suit was held not barred. It appears to us that in that case the reference to the lease in the plaint was obviously treated as a historical fact. That case is therefore directly in point. Following the said judgment, it must be held in the present case too that a suit is not barred by Section 69(2) if a statutory right or a common law right is being enforced.

The next question is as to the nature of the right that is being enforced in this suit. It is well settled that a passing off action is a common law action based on tort (vide) *Bengal Waterproof Ltd. v. Bombay Waterproof Manufacturing Company and Anr.*, [1997] 1 SCC99. Therefore, in our opinion, a suit for perpetual injunction to restrain the defendant not to pass-off the defendant's goods as those of plaintiff's by using the plaintiffs' trade mark and for damages is an action at common law and is not barred by Section 69(2). Likewise, if the reliefs of permanent injunction or damages are being claimed on the basis of a registered trade mark and

its infringement, the suit is to be treated as one based on a statutory right under the Trade Marks Act and is, in our view, not barred by Section 69(2). As regards the contention of the defendant that the plaintiffs do not possess any licences or the permissions to carry on the business at the food stall situate at Colaba, Mumbai, the plaintiffs have tendered a compilation of licenses set out in paragraph 13 above. The said licences show that the plaintiffs are not carrying on the business unlawfully or illegally. An attempt has been made on behalf of the defendant to contend that the plaintiffs are not operating within the scope of the said licences. However, the said issues cannot be decided in this suit and it would be open to the defendant to raise the same before the appropriate authorities/forums.

As regards the contention of the defendant that Class-42 is amended, it is true that pursuant to the said Notification, the description “services for providing food and drink...” is shifted from Class-42 to Class-43. However, prima facie I am of the view that until the plaintiffs apply for the purpose of re-classification of the plaintiffs existing registration in Class-42 and the same is considered and dealt with, the plaintiffs cannot be deprived of any benefit in respect of the existing registration.

The impugned trademark of the defendant is thus visually and phonetically identical or deceptively similar to the plaintiffs registered trademarks. The defendant is, therefore, guilty of infringing the plaintiffs' trademarks registered under Clauses- 29 and 42 of the Trademarks Act, 1999.

**Greaves Cotton Limited v. Mohammad Rafi & Ors. [DEL] CS (OS) No. 395/2008 V.K. Jain, J. [Decided on 03/06/2011]**

***Brief facts:***

This is a suit for permanent & mandatory injunction, damages, rendition of accounts and delivering up of infringing material. The plaintiff company is engaged in the manufacture of a wide range of industrial products including diesel engines, generating sets, agro equipments, construction equipments and road construction equipments. It is claimed that the word/mark GREAVES is an essential and prominent feature of plaintiff s trade name, corporate name and business style and the trademark GREAVES is the surname of the founder of the plaintiff s predecessor GREAVES COTTON AND COMPANY LIMITED. It is alleged that defendant No.1 who is the proprietor of defendant No.2, made an application for registration of the trademark GREAVES INDIA claiming use of aforesaid mark since 1.12.2004 in respect of self priming pump, monobloc pump, jet pump, shallow well pump, coupled pump, high head coupled pump, diesel pump, which are exactly of the same type as the pumps of the plaintiff company. The plaintiff company sent a legal notice dated 26.12.2007 to the defendant No.1 calling upon it to cease and desist from using the aforesaid mark. In his reply, the defendant claimed to have acquired popularity and publicity through use since 1.12.2004. It is alleged that defendant No.1 is engaged in a business which is similar to the business of the plaintiff company and is dealing in products as that of the plaintiff company, the use of the aforesaid mark by the defendant No.1 would result in causing deception in the market and is likely to lead the purchaser to believe that the products being sold under the marks GREAVES INDIA are manufactured, sold and marketed by the plaintiff company or that the use of the aforesaid mark has been licensed/authorized by the plaintiff company. The defendant No.1 has contested this suit.

**Decision: Suit decreed.**

**Reason:**

It is not necessary that in order to constitute infringement, the impugned trademark should be an absolute replica of the registered trademark of the plaintiff. When the mark of the defendant is not identical to the mark of the plaintiff, it would be necessary for the plaintiff to establish that the mark being used by the defendant resembles his mark to such an extent that it is likely to deceive or cause confusion and that the user of the impugned

trademark is in relation to the goods in respect of which the plaintiff has obtained registration in his favour. It will be sufficient if the plaintiff is able to show that the trademark adopted by the defendant resembles its trademark in a substantial degree, on account of extensive use of the main features found in his trademark. In fact, any intelligent person, seeking to encash upon the goodwill and reputation of a well-established trademark, would make some minor changes here and there so as to claim in the event of a suit or other proceeding, being initiated against him that the trademark being used by him, does not constitute infringement of the trademark, ownership of which vests in some other person. But, such rather minor variations or distinguishing features would not deprive the plaintiff of injunction in case resemblance in the two trademarks is found to be substantial, to the extent that the impugned trademark is found to be similar to the registered trademark of the plaintiff. But, such malpractices are not acceptable and such a use cannot be permitted since this is actuated by a dishonest intention to take pecuniary advantage of the goodwill and brand image which the registered mark enjoys, it is also likely to create at least initial confusion in the mind of a consumer with average intelligence and imperfect recollection. It may also result in giving an unfair advantage to the infringer by creating an initial interest in the customer, who on account of such deceptive use of the registered trademark may end up buying the product of the infringer, though after knowing, either on account of difference in packaging etc. or on account of use of prefixes or suffixes that the product which he is buying is not the product of the plaintiff, but is the product of the defendant.

As noted earlier, the defendant No.1 himself has admitted in his cross examination that he was manufacturing mono-block pumps, jet pumps, shallow well pumps, coupling pumps, high head pumps, and diesel pumps under the trade name GREAVES INDIA . It has also come in deposition of PW- 1, that the defendants are manufacturing self priming pump, mono-bloc pump, jet pump, shallow well pump, coupled pump, high head coupled pump, diesel pump etc. and in his application for registration also the defendant No.1 has claimed use of the mark "GREAVES INDIA" in respect of the above referred products which according to PW-1 are exactly of the same type as are the pumps of the plaintiff company. It thus, stands proved that the mark "GREAVES INDIA" is being used by the defendant No.1 in respect of the same products for which the mark Greaves is being used by the plaintiff company. The defendant before this Court has thus, been manufacturing and selling the same product under the trade name "GREAVES INDIA", which the plaintiff company has been manufacturing and selling under its registered trade mark "GREAVES". By using the word "GREAVES INDIA" the defendant No.1 lifted and adopted the whole of the registered trademark of the plaintiff company, thereby causing infringement of that trade mark.

Mere use of the word "INDIA" would make no difference since the word "GREAVES" is not only an essential but also the main component of the trademark "GREAVES INDIA" being used by the defendant No.1. Use of the word "INDIA" as a suffix and not as a prefix is also a strong indicator that the defendant No.1 wanted to encash upon the popularity, goodwill and reputation of the word "GREAVES" engines not only in India but in many other countries. In fact had the defendant No.1 used the word "INDIA" as prefix even that, in my view would have constituted infringement, in facts and circumstances of this case. It would be pertinent to note here that the defendant No.1 has not given any reason or explanation for use of the word "GREAVES" which is the most essential component of his trademark. During cross examination, he could not even give any meaning to the word "GREAVES". This clearly shows that the adoption of the word "GREAVES" by the defendant was dishonest, actuated with the intention to encash upon the tremendous reputation which the registered trademark of the plaintiff enjoys in the market. It would also be appropriate to note here that "GREAVES" is not a dictionary word and is alleged to be the surname of the founder of the plaintiff company. Neither deletion of a part of a registered trademark nor the prefix or suffix of another word to it would validate the use of the registered mark by an unlicensed user, once it is shown that the part used by the infringer is an essential part of the registered trademark. It also in interest of the consumer that a well established brand such as "GREAVES" is not to be

allowed to be used by another person. A person purchasing pumping sets being sold by the plaintiff company under the name “GREAVES”, when he comes across the product of the defendant No.1 being sold under the trade name “GREAVES INDIA”, on account of imperfect recollection and his not having the product of the plaintiff with him at that time, may form an impression that both the products emanate from the same source and that is why both of them are using the word “GREAVES” for selling similar products. This may cause confusion in the minds of the consumers. Also, if the quality of the product of the defendant No.1 is not found to be as good as the quality of the product of the plaintiff, the consumer may feel cheated; he having paid the price which the product of the plaintiff commands in the market and he may also form an opinion that the quality of the product of the plaintiff had gone down and that is why the product purchased by him was found to be of inferior quality. For the reasons given in the preceding paragraphs, the plaintiff is entitled to injunction against use of the trademark “GREAVES” by the defendant No.1. The plaintiff is also entitled to mandatory injunction directing the defendant No.1 to withdraw his application submitted to trade mark registry for registration of the mark “GREAVES INDIA”. The issues are decided against the defendant No.1 and in favour of the plaintiff.

In view of my finding on other issues, the plaintiff is entitled to injunction and damages as stated above in this judgment. A decree for perpetual injunction is hereby passed restraining the defendant No.1 from manufacturing selling, offering for sale advertising or promoting any self priming pump, monobloc pump, jet pump, shallow well pump, coupled pump, high head coupled pump, diesel pump under the trade mark “GREAVES INDIA” or any other mark which is identical or deceptively similar to the registered trademark GREAVES” of the plaintiff. A decree for mandatory injunction is also passed directing the defendant No.1 to withdraw its application No. 1387589, submitted by it to trademark registry for the registration of the trademark “GREAVES INDIA”, within six weeks. A decree for damages amounting to Rs.1 lakh is also passed in favour of the plaintiff and against defendant No.1. The defendant No. 2 is not a legal entity and is only a trade name adopted by defendant No.1. Hence, the suit against defendant No.2 is dismissed. If the amount or damages is not paid within six weeks, the plaintiff will also be entitled to *pendente lite* and future interest @ 6% p.a. on the amount of damages.

***Hindustan Unilever Limited v. Ashique Chemicals & Ors [BOM] Notice of Motion No. 926 of 2010 in Suit No. 862 of 2010 S.J. Vazifdar, J. [Decided on 08/08/2011]***

**Brief facts:**

The plaintiff seeks a perpetual injunction, restraining the defendants from using, in relation to soaps or detergents, the impugned mark “SunPlus” or the word “Sun” with any prefix or suffix or any other deceptively similar mark or the impugned labels containing the words “Sunplus” or any other deceptively similar labels so as to infringe the plaintiff’s registered trademarks or so as to pass off the defendants’ goods as and those of the goods of the plaintiff. The plaintiff is the registered proprietor of the words marks “Sun”, “Sunlight” and “Sunsilk” under class 3. The marks “Sunlight” and “Sunsilk” are associated with the mark “Sun”. The plaintiff is also the registered proprietor of the label marks, which include prominently the word “Sunlight”. The plaintiff has admittedly not used the mark “Sun” in India, but the other marks are associated with the word mark “Sun”.

**Decision: Suit dismissed.**

**Reason:**

The defendant has been using the mark since the year 1997. The defendant has developed a reputation in the market on its own in the State of Kerala. There is nothing to suggest that in the State of Kerala, the mark “Sunlight” had acquired such a reputation that the plaintiff derived advantage merely by trading on the same. The mark “Sun” has not been used for over 60 years. There is a possibility that if the plaintiff’s mark had acquired reputation in Kerala, it would have come across the plaintiff’s mark which has been widely advertised in a variety of ways, including on television channels, hoardings and in magazines. In that event, the plaintiff

would have noticed the defendant mark and adopted proceedings earlier. As it is, the defendants have used the mark for almost fifteen years now. In the result, the plaintiff's action for infringement of the registered mark "Sun" cannot succeed. Nor can the action for passing off in respect of the mark "Sun" succeed as admittedly it has never been used.

The next question is whether this action can succeed in respect of the mark "Sunlight". I do not consider the defendant's mark "Sunplus" to be deceptively similar to the plaintiff's mark "Sunlight". The mere fact that the marks are prefixed by the letters "Sun" would not indicate deceptive similarity. The marks "Sunlight" and "Sunplus" are phonetically and visually distinct. Moreover, the word SunPlus is written in the stylized manner, I have described earlier, reducing the possibility of confusion. Further, in both the marks the suffix is pronounced and distinct from the prefix. Thus, on the one hand, the word "Sun" has not been used for over 60 years and on the other, there is no deceptive similarity between the words "Sunplus" and "Sunlight". Thus, even if inspection had been taken by the defendants of the records of the Registrar of Trade Marks, it would have made no difference.

In the circumstances, the Notice of Motion is dismissed with costs fixed at `0, 000/-.

***South African Breweries International (Finance) BV & Anr v. Mohan Goldwater Breweries Ltd. & Anr [DEL] C.S(OS).No. 1073/2002 V.K. Jain, J. [Decided on 31/10/2011]***

**Brief facts:**

Plaintiff No. 1 is a company registered in Netherlands, whereas plaintiff No. 2 is a company registered in India and is a joint venture company, promoted by SAB Group, to which plaintiff No.1-company belongs. The trademark CASTLE, which was originally adopted and used by Charles Glass, doing business as Glass & Company in respect of beer, in the year 1884. In 1895, Glass & Company was taken over by the South African Breweries Limited, which assigned worldwide rights in the trademark CASTLE to Avalon International Incorporate, which subsequently changed its name to SABMARK International Incorporated. Subsequently, SABMARK International assigned those rights to South African Breweries International Holdings Inc., which, in turn, assigned them to plaintiff No. 1- Company. Plaintiff No. 1 claims registration of the trademark CASTLE and CASTLE label in respect of beer in a large number of countries mentioned in para 6 of the plaint and also claims sale of US\$ 1billion. According to the plaintiffs, the trademark CASTLE is a well-known mark in India and is well-recognized worldwide on account of its extensive availability in various countries and duty free shop of various airports. Plaintiff No. 1 also claims to be sponsoring the South African Cricket team for past 10 years and claims that on account of such wide publicity, Indians would be familiar with the trademark CASTLE. It is also alleged that the plaintiffs have been selling beer in India since 1974, under the trademark CASTLE.

Plaintiff No. 1 applied for registration of CASTLE (label) on 29th April, 1995 and the word mark CASTLE on 6th February, 1996. The registrations have since been granted during pendency of the suit. A notice was sent by the defendants to the plaintiff claiming ownership of the trademark CASTLE PILSNER in respect of beer. They also claimed that the trademark OLD CASTLE and CASTLE were registered in their favour on 30th May, 1972 and 22nd October, 1973 respectively and also claimed that the plaintiffs were passing off their goods as those originating from the defendants and, thereby infringing their registered trademark. On enquiry, the plaintiffs came to know that the trademark registrations in favour of the defendants had been removed from the record of Registrar of Trademarks and in fact, the defendants never sold any product bearing the trademark CASTLE. The plaintiffs have sought an injunction, restraining the defendants from manufacturing, selling, offering for sale or advertising any beer or alcoholic beverages, using the trademark CASTLE. They also sought delivery up of all the goods, packaging material bearing the impugned mark besides damages of Rs20,00,000/-.

**Decision: Permanent injunction granted.**

**Reason:**

Coming to the merits of the case, it has come in the affidavit that the registration of trade marks in favour of defendant No.1, vide registration Nos. 280552 and 291623 had been removed from the trade mark register. The relevant extract from Trade Mark Journals notifying removal of these trademarks was advertised are Ex.PW-1/12 & PW-1/13. A perusal of the advertisement Ex.PW-1/12 in Trade Mark Journal dated 01.01.1992 would show that registered mark No.280552 was removed from the register for non-payment of renewal fee from 01.11.1991 to 16.11.1991. 280552 is the registration whereby the trade mark OLD CASTLE was registered in the name of defendant No.1. Ex.PW-1/13 is the copy of Trade Mark Journal dated 16.01.1991 whereby removal of registration No.291623 from the register, for non-payment of renewal fee, was advertised. 291623 is the registration number whereby the trademark CASTLE was registered in the name of defendant No.1. There is no evidence of the Registrar of Trade Marks having actually renewed the registration of the aforesaid trade marks at any point of time after their removal from the register of trademarks was advertised in Trade Mark Journal. Defendant No.1 has not come forward to contest the suit. More importantly, there is no evidence that registration of the trademarks CASTLE and OLD CASTLE in the name of defendant No.1 subsisted on the date of filing of this suit and thereafter. Therefore, it must necessarily be held that defendant No.1 is no more the registered proprietor of the trademarks CASTLE and OLD CASTLE the registrations of the aforesaid marks in its favour having already been removed from the register of trade marks on account of non payment of the requisite fee.

Since it is the plaintiff company which first used the trademark CASTLE in India and the registrations in favour of defendant No.1 have already been cancelled, defendant No.1 Company has no right to use this mark and thereby pass off its goods as that of the plaintiff. As regards the trade mark OLD CASTLE, since this mark includes the whole of the trademark of the plaintiff company, the customer coming across beer being sold under the trade mark OLD CASTLE may buy this product assuming, on account of use of the word CASTLE, it to be a product of the plaintiff company. He may, on seeing a bottle/can of beer bearing the trade mark OLD CASTLE genuinely believe that either this product has been manufactured by the plaintiff company or it is being manufactured under licence or in collaboration with it, and that is why the word CASTLE has been used as a part of the trademark under which the product is being sold. Injunction can be sought not only in a case of actual use but also in a case of threatened use of a trademark. The owner of a trademark is well within his right in coming to the Court, for grant of an injunction, the moment he has a genuine apprehension that the defendant is likely to infringe his mark or to pass off his goods as those of the plaintiff. He need not necessarily wait till actual invasion of his rights and the law entitles him to take remedial action, well in time, whenever there is a reasonable threat of his right being invaded. In the case before this Court, the plaintiff did have a valid cause of action to seek injunction since the defendants themselves gave a cease and desist notice to the plaintiff, with respect to use of the mark CASTLE.

For the reasons given in the preceding paragraphs, a decree for permanent injunction is passed restraining defendant No.1 from selling, distributing or marketing beer under the trademark CASTLE and/or OLD CASTLE. However, considering the fact that this is plaintiffs own case that no beer has ever been sold by defendant No.1 under the trade name CASTLE/OLD CASTLE, I do not deem it appropriate to award any damages to the plaintiffs.

***Infosys Technologies Ltd v. Jupiter Infosys Ltd & Anr. [SC] Civil Appeal Nos. 5743-5745 of 2005 Aftab Alam & R.M. Lodha, JJ.[Decided on 09.11.2010]***

**Brief facts:**

In January 2001, the Appellant filed a suit before the Madras High Court for permanent injunction restraining

the first respondent from offering shares to the public as claimed in the Initial Public Offer (IPO) using the name "Infosys". The Single Judge of the Madras High Court passed an interim restraint order. The first respondent then filed three separate applications before the Madras High Court, inter alia, under Sections 46 and 56 of the Trade and Merchandise Marks Act, 1958 (the 1958 Act) and prayed for the removal/rectification of the entry in the register of trade mark in respect of trade mark No. 475269 in Class 16 while in the other two applications being O.P. No. 765 of 2001 and O.P. No. 766 of 2001, the first respondent prayed for removal/rectification of trade mark No. 475267 in Class 9 and trade mark No. 484837 in Class 7 respectively.

The appellant opposed these applications on diverse grounds by filing counter affidavits. The Madras High Court framed the issues and transferred that suit to IPAB for deciding the issues. The IPAB proceeded with the matter in light of the issues that were already framed by the High Court and heard the parties. The IPAB in the impugned order while dealing with the plea of limitation raised by the appellant held that the first respondent was the appropriate aggrieved party in the matter in view of the fresh cause of action having arisen to the first respondent on filing of Civil Suit No. 71 of 2001 by the appellant before the Madras High Court. The IPAB in the impugned order held that the trade mark Nos. 475269, 475267 and 484837 have not been used by the appellant for more than a period of five years and one month and the appellant also failed to make out that it had been in manufacturing or trading of the goods for which it had taken Registration Nos. 475269, 475267 and 484837. Consequently, the IPAB allowed the applications made by the first respondent purportedly under Section 46(1)(b) of the 1958 Act and directed the Registrar to remove these registrations from the register. The Appellant challenged the above order before the Supreme Court under Special Leave Petition.

**Decision: Appeal allowed. Case remanded to IPAB.**

**Reason:**

Having regard to the order that we intend to make, we are not persuaded to accept the objection raised on behalf of the first respondent that present appeal preferred directly before this Court from the impugned order passed by the IPAB is not maintainable and must be dismissed as such. Pertinently, the notice was issued in the petitions for special leave to appeal to the respondents on November 1, 2004. In response to the said notice the first respondent filed counter affidavit before this Court on March 11, 2005 wherein no specific objection about invocation of jurisdiction of this Court directly has been taken. In the counter affidavit a very vague objection was raised. We are afraid; this is hardly an objection about maintainability. Apart from it, on September 12, 2005 after hearing both parties, special leave was granted by this Court.

In the backdrop of these peculiar facts, in our view, it is not appropriate to relegate the appellant at this distance of time to challenge the impugned order passed by the IPAB in writ petition before the High Court. The objection about maintainability of the appeals is, accordingly, overruled. The moot question which has been debated before us is whether or not, the first respondent is an aggrieved person. That the first respondent filed composite applications under Sections 46 and 56 of the 1958 Act for rectification/removal of the trade mark "Infosys" registered in Classes 7, 9 and 16 is not in dispute.

The position that emerges from the provisions of section 45 and 56 is this. Whether the application is under Section 46 or under Section 56 or a composite application under both Sections, it is a pre-requisite that the applicant must be a person aggrieved. Section 46(1) of the 1958 Act enables any person aggrieved to apply for removal of registered trade mark from the register on the ground of non use as stated in Clause (a) and/or Clause (b). To be an aggrieved person under Section 46, he must be one whose interest is affected in some possible way; it must not be a fanciful suggestion of grievance. A likelihood of some injury or damage to the applicant by such trade mark remaining on the register may meet the test of locus standi. In Kerly's Law of Trade Marks and Trade Names (11th edition) at page 166, the legal position with regard to person aggrieved'

has been summarized thus: The persons who are aggrieved are all persons who are in some way or the other substantially interested in having the mark removed - where it is a question of removal - from the register; including all persons who would be substantially damaged if the mark remained, and all trade rivals over whom an advantage was gained by a trader who was getting the benefit of a registered trade mark to which he was not entitled. We accept the above statement of law.

In so far as Section 56 is concerned, it provides for varying situations in which the person aggrieved may apply for rectification of the registered trade mark from the register. Although both Sections, namely, Sections 46 and 56 require person aggrieved' to apply for removal of the registered trade mark from the register or rectification of a trade mark in the register, the expression person aggrieved' for the purposes of these two Sections has different connotations. The interpretation of the expression person aggrieved' occurring in Sections 46 and 56 has come up for consideration before this Court on more than one occasion.

In our opinion the phrase "person aggrieved" for the purposes of removal on the ground of non-use under Section 46 has a different connotation from the phrase used in Section 56 for cancelling or expunging or varying an entry wrongly made or remaining in the Register. In terms of Section 46(1), not only that the applicant has to show that he is an aggrieved person as his interest is being affected but the IPAB must also be satisfied, before it directs the removal of registered trade mark, that the applicant is an aggrieved person before it invokes the power in directing the removal of the registered trade mark. This is so because the pre-requisite for exercise of power under Section 46(1) is that the applicant is a person aggrieved.

The question then arises, whether it is sufficient for the applicant to show that he is a person aggrieved when he makes his application or he must continue to remain a person aggrieved until such time as the rectification/removal application is finally decided. In our view, the grievance of the applicant when he invokes Section 46(1) must not only be taken to have existed on the date of making application but must continue to exist when such application is decided. If during the pendency of such application, the applicant's cause of complaint does not survive or his grievance does not subsist due to his own action or the applicant has waived his right or he has lost his interest for any other reason, there may not be any justification for rectification as the registered trade mark cannot be said to operate prejudicially to his interest.

In view of the above, these appeals are allowed in part and the impugned order dated September 9, 2004 is set aside. The applications being TRA Nos. 25 to 27 of 2003 (OP Nos. 764 to 766 of 2001) are restored to the file of Intellectual Property Appellate Board, Chennai for hearing and disposal afresh in accordance with law.

***K. Narayanan & Anr. v. S. Murali [JT 2008 (9) SC 26] Tarun Chatterjee & Harjit Singh Bedi, JJ [Decided on 05.08.2008]***

**Brief Facts:**

The appellants are engaged in the business of manufacturing and selling Banana Chips and had adopted the trade mark A-ONE with respect to the said Banana Chips in 1986. The appellants had applied for registration of the trade mark A-ONE before the Trade Mark Registry at Chennai on 6th of December, 1999 with respect to the Trade Mark A-ONE which is still pending.

The respondent filed three trade mark applications on 24th of January, 2000 before the Trade Mark Registry at Chennai seeking registration as user of the mark A-ONE throughout India since 1995. Thereafter the appellants filed C.S.No 482 of 2001 on 22nd of May, 2001 on the file of the High Court of Madras, seeking an injunction to restrain the respondent from passing off his goods using the trade mark AONE.

On 6th of March, 2002, the learned Single Judge of the High Court dismissed the injunction application and also revoked the leave to sue, granted by it to the appellants. The appellants, being aggrieved by the aforesaid

order, preferred appeals before the Division Bench of the High Court, which dismissed the appeal. Against the order of dismissal appellants approached the Supreme Court.

**Decision : Appeal dismissed.**

**Reasons:**

In the present case, mere filing of a trade mark application cannot be regarded as a cause of action for filing a suit for passing off since filing of an application for registration of trade mark does not indicate any deception on the part of the respondent to injure business or goodwill of the appellants. Filing of an application for registration of a trade mark does not constitute a part of cause of action in a suit for passing off. The appellants cannot file the suit in the High Court of Madras seeking an injunction to restrain the respondent from passing off his goods using the trade mark A-ONE, based only on the claims made in the trade mark application of respondent filed before the Trade Mark Registry. Before registration is granted for the trade mark, there is no right in the person to assert that the mark has been infringed and that a proposed registration which may , or may not be granted will not confer a cause of action to the plaintiff, whether the application for registration is filed by the plaintiff, or the defendant. For the above said reasons the appeal is dismissed.

***Pfizer Products Inc v. Rajesh Chopra & Ors 127 (2006) DLT 783 Badar Durrez Ahmed, J.***

**Brief Facts:**

The plaintiff company filed a suit against the respondents alleging infringement of its trademark. The plaintiff had alleged in the plaint that the respondents are about to sell the infringed goods in Delhi. On the other hand, the respondents had contended, by way of an application, that the Delhi Court had no territorial jurisdiction as they had not sold the alleged infringed goods in Delhi.

**Decision: Application dismissed.**

**Reasons:**

The other aspect of the matter is that a threat of selling the offending goods in Delhi would in itself confer jurisdiction in the Courts in Delhi to entertain a suit claiming an injunction in respect thereof. Whether the threat perception is justified or not is another matter which has to be considered and decided upon in the application filed by the plaintiff under Order 39 Rules 1 and 2 or on merits when the suit is taken up for disposal. Insofar as Order 7 Rule 10 is concerned, assuming that whatever is stated in the plaint is correct, one would have to also assume that the threat or the intention of the defendants to sell and offer for sale the offending goods in Delhi is also correct. Therefore, if the threat exists then this Court would certainly have jurisdiction to entertain the present suit.

## ASSIGNMENT AND TRANSMISSION

Assignment and Transmission have been defined under Section 2(1) (b) and 2(1)(zc) of the Trade Marks Act, 1999 respectively. Section 2(1) (b) defines "assignment" as assignment in writing by act of the parties concerned. Under section 2(1)(zc) "transmission" means transmission by operation of law, devolution on the personal representative of a deceased person and any other mode of transfer, not being assignment.

Assignment of trade mark involves transfer of ownership of the trade mark to another person or entity. The provisions concerning assignment and transmission of trade mark are contained in section 37 to 45 of the Trade marks Act, 1999 read with rule 75 to 85 of the trademarks rules, 2017.

Section 37 entitles the registered proprietor of a trade mark to assign the trade mark and to give effectual receipts for any consideration for such assignment. Under the new Act, a registered trade mark is assignable

and transmissible whether with or without goodwill of the business either in respect of all goods or services or part thereof. The assignment or transmission of trade mark has been prohibited under Section 40, where multiple exclusive rights would be created in more than one person in relation to same goods or services; same description of goods or services; or goods or services or description of goods or services associated with each other, the use of such trade marks would be likely to deceive or cause confusion.

Assignment of a trade mark without goodwill of business is not allowed unless the assignor obtains directions of the Registrar and advertises the assignment as per the Registrar's directions. The assignment and transmission of certification trade marks is allowed only with the consent of the Registrar. Associated trade marks are assignable and transmissible only as a whole but they will be treated as separate trade marks for all other purposes.

The assignment and transmission of trade marks is absolute. The validity of the assignment can be challenged only on the basis of the provisions contained in Sections 37 to 45 of Trade Marks Act, 1999.

### **POSITION OF UNREGISTERED TRADEMARK**

An unregistered trade mark may be assigned or transmitted with or without the goodwill of the business concern. Earlier such an assignment or transmission without goodwill used to be on a different footing.

Section 39 of Trade Marks Act, 1999 has simplified the provisions in relation to assignment of unregistered trade mark without goodwill. It lays down that an unregistered trade mark may also be assigned with or without goodwill. Three conditions in Section 38(2) of Trade and Merchandise Marks Act, 1958 which were applicable on assignment of a trade mark without goodwill have been abrogated. Now, both unregistered and registered trade mark are subject to same conditions stated in Section 42, wherein such an assignee is required to apply to the Registrar within six months extendable by three months for directions with respect to advertisement. The assignee must issue the advertisement as directed for assignment to take effect, as the two limbs are cumulative.

Earlier Section 38 of the Trade & Merchandise Marks Act, 1958 provided for assignment or transmission of an unregistered trade mark without goodwill only if the following conditions were fulfilled:

- (i) used in same business as a registered trademark;
- (ii) assigned at the same time to same person as registered trademark;
- (iii) used on same goods as registered trademark.

Thus, the unregistered trade mark had been coupled with a registered trade mark with regard to goods, business, time and person. The situation has changed under Section 39 of Trade Marks Act, 1999 and now, even an unregistered trade mark can be assigned or transmitted without the goodwill of the business concern, and, without subjecting it to the above condition of coupling it with a registered trademark.

### **REGISTERED USERS**

Sections 48 to 54 contain provisions relating to registered users. Section 50 empowers the Registrar to vary or cancel registration as registered user on the ground that the registered user has used the trade mark otherwise than in accordance with the agreement or in such a way as to cause or likely to cause confusion, or deception or the proprietor/registered user misrepresented or has failed to disclose any material facts for such registration or that the stipulation in the agreement regarding the quality of goods is not enforced or that the circumstances have changed since the date of registration, etc. However, Registrar has been put under obligation to give reasonable opportunity of hearing before cancellation of registration.

Section 51 empowers the Registrar to require the proprietor to confirm, at any time during the continuation of registration as registered user, whether the agreement on the basis of which registered user was registered is still in force, and if such confirmation is not received within a period of three months, the Registrar shall remove the entry thereof from the Register in the prescribed manner. The Act also recognises the right of registered user to take proceedings against infringement.

Section 54 provides that the registered user will not have a right of assignment or transmission. However, it is clarified that where an individual registered user enters into partnership or remains in a reconstituted firm, the use of the mark by the firm would not amount to assignment or transmission.

## **COLLECTIVE MARKS**

The primary function of a collective mark is to indicate a trade connection with the Association or Organization. To be registerable, the collective mark must be capable of being represented graphically and meet other requirements as are applicable to registration of trade marks in general.

Sections 61 to 68 contain provisions relating to the registration of collective trade marks. These provisions provide for registration of a collective mark which belongs to a group or association of persons and the use thereof is reserved for members of the group or association of persons. Collective marks serve to distinguish characteristic features of the products or services offered by those enterprises. It may be owned by an association which may not use the collective mark but whose members may use the same. The association ensures compliance of certain quality standards by its members, who may use the collective mark if they comply with the prescribed requirements concerning its use.

## **CERTIFICATION TRADEMARK**

The purpose of certification trade mark is to show that the goods on which the mark is used have been certified by some competent person in respect of certain characteristics of the goods such as origin, mode of manufacture, quality, etc. The proprietor of a certification trade mark does not himself deal in the goods. A certification trade mark may be used in addition to the user's own trade mark on his goods. Unlike the old Act which empowered the Central Government to register certification trade mark, the new Act delegates the final authority for registration of certification trade mark to the Registrar. Sections 70 to 78 of the Trade Marks Act, 1999 deal with registration of certification trademarks.

### **Distinction between "Trade Mark" and "Certification Mark"**

Trade marks in general serve to distinguish the goods or services of one person from those of others. The function of a certification trade mark is to indicate that the goods or services comply with certain objective standards in respect of origin, material, mode of manufacture of goods or performance of services as certified by a competent person.

## **OFFENCES, PENALTIES AND PROCEDURE**

Sections 101 to 121 deal with the matters relating to offences, penalties and procedure. Some of the important provisions are discussed below.

1. Section 103 deals with the penalty for applying false trade mark, trade description, etc. and imposes punishment with imprisonment for a term which shall not be less than six months but which may extend to three years and with fine which shall not be less than fifty thousand rupees but which may extend to two lakh rupees.

2. Section 105 prescribes enhanced penalty on second and subsequent conviction for offences committed under sections 103 and 104 and imposes punishment with imprisonment which shall not be less than one year but which may extend to three years and with fine which shall not be less than one lakh rupees but which may extend to two lakh rupees.
3. Section 106 provides penalty for removing piece goods, etc., in violation of the provisions of Section 81 dealing with stamping of piece goods, cotton yarn and thread. This section provides for forfeiture of goods to the government and fine upto Rs. 1000.
4. Section 107 makes it an offence if a person falsely represents a trade mark as registered. It has been clarified that use of symbols like “R” in circle in relation to unregistered trade mark would constitute an offence. The punishment for such offences is imprisonment for a term which may extend to three years or with fine or with both. It is also clarified that where the mark in question is registered under the law of the country outside India, the use of the word or other expression to denote such registration in foreign country is permissible.
5. According to section 108, the use of any words which would lead to the belief that a person’s place of business is officially connected with the Trade Mark Office shall be treated as offence and be punishable with imprisonment for a term which may extend to two years or with fine or with both.
6. Section 109 contains provisions for penalty for falsification of entries in the register. This offence is punishable with imprisonment not exceeding two years or with fine or with both.

Section 114 deals with offences by companies and provides that where a person committing offence is a company, every person in charge of and responsible to the company for the conduct of its business at the time of commission of an offence will be liable. Where a person accused proves that the offence was committed without his knowledge or he has exercised all due diligence to prevent the commission of such offence, he will not be liable. However, where it is proved that an offence has been committed with the consent or connivance or is attributable to any neglect of any Director, Manager, Secretary or any other officer of the company; he shall be deemed to be guilty of the offence. Explanation to this section defines a company as to mean body corporate and includes a firm or other association of individuals. The explanation also defines director in relation to a firm, as to mean a partner in the firm.

### Relief in Suits for Infringement/Passing Off

Civil Litigation : A suit can be initiated either under the law of passing off or for infringement under the Trade Marks Act, 1999 depending on whether the trade mark is unregistered, pending registration or registered respectively.

- **Jurisdiction and Venue:** The suit for passing off and/or infringement can be initiated either in the District Court or in the High Court depending on the valuation of the suit. The suit can be at the place where the rights holder or one of the rights holders actually and voluntarily reside or work for gain or carries on business.
- **Elements of the Complaint:** In the complaint, the rights holder is required to demonstrate that (a) the alleged infringing act involves a mark that is identical or similar to a trade mark of the rights holder; (b) the infringing representation of a trade mark is being used in connection with goods or services and might lead to confusion in public regarding the origin of the infringing goods/services; (c) the unlawful act interfered with the trade mark holder’s rights of exclusive use or caused the rights holder economic loss.

Section 135 expressly stipulates that the relief which a Court may grant in any suit for infringement or for passing off referred to in Section 134 includes injunction (subject to such terms, if any, as the court thinks fit) and at the option of the plaintiff, either damages or an account of profits, together with or without any order for the delivery up of the infringing labels and marks for destruction or erasure.

**Ex-parte Interim Injunction:** Most Indian Courts will grant *ex-parte* interim injunctions. *Ex-parte* interim injunction is a temporary injunction granted without any notice to the infringer restraining him from using the infringing mark during the pendency of the trial. This injunction is normally granted at the early stages of the trial and many a times on the first date of hearing itself, provided that the rights holder is able to establish its rights before the Court and prove the gravity of the offence, merits immediate consideration.

An interlocutory order for any of the following matters can also be passed, namely:—

- (a) for discovery of documents;
- (b) preserving of infringing goods, documents or other evidence which are related to the subject-matter of the suit;
- (c) restraining the defendant from disposing of or dealing with his 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.

The Court shall not grant relief by way of damages (other than nominal damages) or on account of profits in any case—

- (a) where in a suit for infringement of a trade mark, the infringement complained of is in relation to a certification trade mark or collective mark; or
- (b) where in a suit for infringement the defendant satisfies the court –
  - (i) that at the time he commenced to use the trade mark complained of in the suit, he was unaware and had no reasonable ground for believing that the trade mark of the plaintiff was on the register or that the plaintiff was a registered user using by way of permitted use; and
  - (ii) that when he became aware of the existence and nature of the plaintiff's right in the trade mark, he forthwith ceased to use the trade mark in relation to goods or services in respect of which it was registered.

However, the Courts are restrained from granting relief by way of damages (other than nominal damages) or on account of profit in any case where the infringement complained of relates to certification mark or collective mark or where the defendant satisfies the Court that when he used the mark, he was unaware or had no reasonable ground of belief that the trade mark is registered one and when he came to know of existence and nature of plaintiff's right, he stopped the use of the trade mark.

The distinction between a suit based on infringement and that based on passing off was explained by the Supreme Court in *Kaviraj Pandit Durga Dutt Sharma v. Navratna Pharmaceutical Laboratories*, AIR 1965 SC 980. It was explained that “while an action for passing off is a common law remedy being in substance an action for deceit, that is, a passing off by a person of his own goods as those of another, that is not the gist of an action for infringement. The action for infringement is a statutory remedy conferred on the registered proprietor of a registered trade mark for the vindication of the ‘exclusive right to the use of the trade mark in relation to those goods’. The use by the defendant of the trade mark of the plaintiff is not essential in an action for passing off, but is the sine qua non in the case of an action for infringement.”

It was further noticed that “where the evidence in respect of passing off consists merely of the colourable use of a registered trade mark, the essential features of both the actions might coincide, in an action for infringement, the plaintiff must, no doubt, make out that the defendant’s mark is so close either visually, phonetically or otherwise and the Court should reach the conclusion that there is an imitation” in which event it would be established that the plaintiff’s rights are violated.

The grant of an injunction is a right expressly provided by the Trade Marks Act, 1999. The rules governing the grant of injunctions in trade mark cases are based on the provisions contained in Sections 36 to 42 of the Indian Specific Relief Act, 1963 and Order 39 Rules 1 and 2 read with Section 151 of the Code of Civil Procedure (*Century v. Roshanlal AIR 1978 Del.250*).

In *Midas Hygiene Industries (P) Ltd. v. Sudhir Bhatia and Ors.*, AIR 2004 SC 186, it was held that the law on the subject is well settled. In cases of infringement either of trade mark or of copyright, normally an injunction must follow. Mere delay in bringing action is not sufficient to defeat grant of injunction in such cases. The grant of injunction also becomes necessary if it *prima facie* appears that the adoption of the mark was itself dishonest.

In an action for infringement where the defendant’s trade mark is identical with the plaintiff’s mark, the Court will not enquire whether the infringement is such as is likely to deceive or cause confusion. The test, therefore, as to likelihood of confusion or deception arising from similarity of marks is the same both in infringement and passing off actions [See *Ruston & Hornsby Ltd. v. The Zamindara Engineering Co.*, AIR 1969 SC 304].

In *Ramdev Food Products Pvt. Ltd. v. Arvindbhai Rambhai Patel and Ors.*, AIR 2006, it was held that a *prima facie* case of irreparable injury has been made out by the Appellant. It may not be necessary to show more than loss of goodwill and reputation to fulfill the condition of irreparable injury. If the first two pre-requisites are fulfilled, irreparable loss can be presumed to have taken place.

It was further held that the grant of an interlocutory injunction is in exercise of discretionary power and hence, the Appellate Courts will usually not interfere with it. However, Appellate Courts will substitute their discretion if they find that discretion has been exercised arbitrarily, capriciously, perversely, or where the court has ignored settled principles of law regulating the grant or refusal of interlocutory injunctions. [*Wander Ltd. v. Antox India P. Ltd.*, (1990) Supp SCC 727; *Seema Arshad Zaheer v. MC of Greater Mumbai (2006) 5 SCALE 263*]

In *Laxmikant V. Patel v. Chetanbhai Shah and Anr.*, AIR 2001 SC 763, it was stated:

A person may sell his goods or deliver his services such as in case of a profession under a trading name or style. With the lapse of time such business or services associated with a person acquire a reputation or goodwill which becomes a property which is protected by Courts. A competitor initiating sale of goods or services in the same name or by imitating that name results in injury to the business of one who has the property in that name. The law does not permit any one to carry on his business in such a way as would persuade the customers or clients in believing that the goods or services belonging to someone else are his or are associated therewith. It does not matter whether the latter person does so fraudulently or otherwise. The reasons are two. Firstly, honesty and fair play are, and ought to be, the basic policies in the world of business. Secondly, when a person adopts or intends to adopt a name in connection with his business or services which already belongs to someone else, it results in confusion and has propensity of diverting the customers and clients of someone else to himself and thereby resulting in injury.

The Delhi High Court in *Toyota Jidosha Kabushiki Kaisha v. Deepak Mangal & Others*, 2010 (43) PTC 161(Del.), held that plaintiff is not entitled to the discretionary relief as prayed for by him. He has not been able to make any *prima facie* case in his favour for injuncting the defendant from using the trade mark “PRIUS” on which the defendant is admittedly the registered proprietor and owner since 2002. Principles of equity and fair play also

do not find favour with the plaintiff. The balance of convenience in fact lies in favour of the defendant. If at this stage i.e. after business growth of more than seven years, the defendant is enjoined from using his trade name under which he is selling his auto accessory products, he would suffer huge business loss which would probably bring to a close not only his business reputation but all his legitimate financial expectations. On the other hand no irreparable loss or injury will be suffered by the plaintiff as admittedly the plaintiff is not in the market.

Plaintiff has given up all claims if any on the use of the mark "PRIUS" as he has knocked the doors of the Court after an unexplainable delay of more than six and half years. None of the ingredients for continuing of the interim injunction in favour of the plaintiff arise. If injunction is allowed to continue, the loss to be suffered by the defendant would become irreparable as his business would come to stand still. In these circumstances, balance of convenience is also in favour of the defendant. The application of the defendant under Order 39 Rule 4 CPC is accordingly allowed and the interim ex parte injunction granted is set aside.

Recently in *Proctor & Gamble Co. & Anr v. Shipra Laboratories (November, 2011)*, the Delhi High Court held that it is not in dispute that the defendant has been using the trade mark SAFE GUARD for sale of antiseptic creams. There is practically no difference between the trade mark SAFEGUARD and SAFE GUARD since no person is likely to notice the space between the words SAFE and GUARD...

The Court observed that in any case, the defendant has no legal right to use the trade mark SAFEGUARD or any other mark identical or deceptively similar to this registered trade mark of the plaintiff in respect of any of the products for which registration has been granted. The plaintiffs, therefore, are entitled to an appropriate injunction, restraining the defendant from using the trade mark SAFE GUARD in respect of the product for which registration has been granted to it by Registrar of Trade marks in India.

Criminal Litigation: The Trade Marks Act, 1999 provides for remedies for infringement under the criminal laws too. The police have the power to *suo motu* conduct raids and seizure operations. However, the use of such powers by the police is minimal.

Under the criminal law, should the rights holder not be aware of the details (name, address, dates of infringement, etc.) of the infringers, it is advisable to procure a general search and seizure warrant from the local magistrate and thereafter organize search and seizure operations in that area. In the alternative, should the rights holder be aware of the details of the infringer a complaint can be lodged with the police authorities and raids organized accordingly. In a criminal proceeding, the litigation is between the State and the infringer and therefore the rights holder has a limited role to play. The maximum imprisonment that an infringer can get under the Trade Marks Act, 1999 is up to three years with a fine of up to Rs. two lakhs.

**Provisions under the Customs Laws:** Besides the civil and the criminal remedies mentioned herein above, there are also certain provisions under the trade mark law and the customs law which prohibit the importation of infringing goods in India. The Customs authorities have promulgated guidelines known as the Intellectual Property Rights (Imported Goods) Enforcement Rules, 2007, under which the rights holder can record their registered trade marks with the Customs authorities. These guidelines authorize the Custom officials to seize goods infringing the trade marks of the rights holder at the border without obtaining any orders from the Court.

These rules also empower the Custom officers to destroy the suspended goods under official supervision or dispose them outside the normal channels of commerce after it has been determined that the goods detained have infringed the trade marks of the rights holder and that no legal proceeding is pending in relation to such determination. These rules also prohibit the re-exportation of the goods infringing trade marks in an unaltered state.

***Milment Oftho Industries v. Allergan Inc. (2004) 20 ILD 74 (SC) ; 2004 (170) ELT 260 (SC) S. N. Variava &***

**H. K. Seema, JJ. [Decided on 7.5.2004]****Brief Facts:**

The respondent is the owner of trade mark "Ocuflax" in respect of an eye care product containing 'Ofloxacin' and other compounds. The trade mark was registered in various countries except India. The respondent company had no intention to come to India. The appellant, on the other hand, was selling its product 'Ocuflax' on a medicinal preparation containing Ciprofloxacin HCL to be used for the treatment of the eye and ear. The respondents filed a suit of injunction based on passing off action against the appellants.

The appellants contended in the suit that it had coined the word 'Ocuflax' by taking the prefix 'Ocu' from 'Ocular' and 'Flax' from 'Ciprofloxacin' which was the base constituent of the product and that it had been granted registration by the Food & Drug Control Administration and that its application for the registration of the trade name 'Ocuflax' was pending. The trial court refused to grant injunction on the grounds that the respondent's product was not being sold in India and the appellant had introduced the product first in India. The Division Bench of the Court allowed the appeal of the respondent on the ground that it was the first in the market and granted injunction. The appellants approached the Supreme Court of India by way of an appeal against the order granting injunction.

**Decision: Directions given to the trial court to dispose of the matter within 6 months.****Reasons:**

While considering the possibility of likelihood of deception or confusion, in present times and particularly in the field of medicines, the courts must keep in mind the fact that nowadays the field of medicine is of an international character. The court has to keep in mind the possibility that with the passage of time, some conflict may occur between the use of the mark by the applicant in India and the user by the overseas company. The court must ensure that public interest is in no way imperilled. Doctors, particularly eminent doctors, medical practitioners and persons or companies connected with medical field keep abreast of latest developments in medicine and preparations worldwide. Medical literature is freely available in the country.

Doctors, medical practitioners and persons connected with the medical field regularly attend medical conferences, symposiums, lectures, etc. It must also be remembered that nowadays goods are widely advertised in newspapers, periodicals, magazines and other media which is available in the country. This results in a product acquiring a worldwide reputation. Thus, if a mark in respect of a drug is associated with the respondents worldwide it would lead to an anomalous situation if an identical mark in respect of a similar drug is allowed to be sold in India. However, one note of caution must be expressed. Multinational corporations, who have no intention of coming to India or introducing their product in India should not be allowed to throttle an Indian company by not permitting it to sell a product in India, if the Indian company has genuinely adopted the mark and developed the product and is first in the market. Thus, the ultimate test should be who is first in the market.

In the instant case, the marks were the same. They were in respect of pharmaceutical products. The mere fact that the respondents had not been using the mark in India would be irrelevant if they were the first in the world market. The Division Bench had relied upon material which prima facie showed that the respondents' product was advertised before the appellants entered the field. On the basis of that material, the Division bench had concluded that the respondents were first to adopt the mark. If that be so, then no fault could be found with the conclusion drawn by the Division Bench.

However, it was submitted on behalf of the appellants that the respondents were not the first to use the mark. It was submitted that there was no proof that the respondents had adopted the mark and used the mark before the appellants started using the mark in India. These were matters which would require examination on evidence.

Considering the fact that for all these years, because of the injunction order, the appellants had sold their product under some other name, the balance of convenience was that the injunction order be continued and the hearing of the suit be expedited. If on evidence it was proved that the respondents had adopted the mark prior to the appellants' doing so, on the settled law, then the respondents would become entitled to an injunction. However, if on evidence it was shown that the respondents had not adopted the mark prior to its use in India by the appellants, then, undoubtedly, the trial court would vacate the injunction. The Trial Court would undoubtedly then assess the damage which appellants had suffered for having wrongly not been allowed to use the mark for all these years. With the above said directions, the appeal stands disposed of.

**Satyam Infoway Ltd v. Sifynet Solutions Pvt Ltd (2004) 120 COMP CAS 729 (SC); (2004) 19 ILD 30 (SC) Mrs. Ruma Paul & P. Venkatarama Reddi, JJ.**

**Brief Facts:** The appellant is a well-known IT company. The appellant owned and registered several domain names such as "www.sifynet", "www.sifymall.com", "www.sifyrealestate.com" etc in 1999 with INCANN. In the year 2001 the respondent company also registered domain names "www.siffy.com" and www.siffynet.net. The appellant served a notice on the respondent not to use the similarly sounding domain names but the respondent did not oblige. The appellant filed a suit in the civil court and obtained a temporary injunction against the respondent. The High Court stayed the operation of the trial courts injunction order and the appellant challenged the order of the High court before the Supreme Court.

**Decision: Appeal allowed.**

**Reasons:**

As far as India is concerned there is no legislation, which explicitly refers to dispute resolution in connection with domain names. But although the operation of the trade marks act, 1999 itself is not extra territorial and may not allow for adequate protection of domain names, this does not mean that domain names are not to be legally protected to the extent possible under the laws relating to passing off.

Passing off action is based on the goodwill that a trader has in his name unlike an action for infringement of a trademark where a trader's right based on property in the name as such. Therefore unless goodwill can be established by the appellant by showing that the public associates the name "Sify" with the services provided by the appellant, it cannot succeed.

The appellant, at least prima facie, had established goodwill by showing that the public associated the name "Sify" with the services provided by the appellant. Apart from the close visual similarity between "Sify" and "Siffy", there is phonetic similarity between the two names. The addition of "net" to "Siffy" did not detract from this similarity. The evident media prominence to "Sify" and the large subscriber base could have left the respondent in no doubt as to its successful existence prior to the adoption of "Siffy" as part of its domain names. It will therefore appear that the justification followed the choice and that the respondent's choice of the word "Siffy" was not original but inspired by the appellant's business name and that the respondent's explanation for its choice of the word "Siffy" as a corporate and domain name is an invented post rationalization. What is also important was that the respondent admittedly adopted the mark after the appellant.

The appellant is the prior user and has the right to debar the respondent from eating into the goodwill it might have built up in connection with the name. The similarity in the name might lead an unwary user of the internet of average intelligence and imperfect recollection to assume a business connection between the two. Such user may, while trying to access the information or services provided by the appellant, put in that extra "f" and be disappointed with the result. The Respondent's assertion that its business is limited to network marketing unlike the appellant which carried on the business of software development, software solution and connected activities

is factually incorrect and legally untenable.

A domain name is accessible by all internet users and the need to maintain an exclusive symbol for such access is crucial. Therefore, a deceptively similar domain name might not only lead to a confusion of the source but the receipt of unsought for services. Besides, the appellant has brought on record printouts of the respondents' website in which it had advertised itself as providing, inter alia, software solutions, integrating and management solutions and software development, covering the same filed as the appellant.

The respondent will not suffer any such loss if an injunction is granted. The respondent can carry on its business and inform its members of the change of name. The fact that the grant of an interlocutory order might disrupt the respondent's business cannot be seen as an argument against granting relief to the appellant to whom it is entitled. The doubtful explanation given by the respondent for the choice of the word "Sify" coupled with the reputation of the appellant led to the conclusion that the respondent is seeking to cash in on the appellant's reputation as a provider of service on the internet. In view of the prima facie view on the dishonest adoption of the appellant's trade name by the respondent, the investments made by the appellant in connection with the trade name, and the public association of the trade name "Sify" with the appellant, the appellant is entitled to the relief it claimed. The decision of the High Court is set aside and that of the city civil court is affirmed.

**Yahoo Inc v. Akash Arora [(2000) CLA-BL.Supp: 106; Dr. M. K. Sharma J (Delhi).]**

**Facts:**

The plaintiff is a global internet media rendering services under the domain name/trade name yahoo. The plaintiff was amongst the first in the field to have the domain name yahoo providing search services. The name yahoo is a dictionary connotation adopted by the plaintiff. It is providing services at the internet under the domain name/trade name of yahoo. The plaintiff had registered trade mark name of yahoo. Its applications for registration of trade mark are pending in 69 countries all over the world. Its application for registration is also pending in India.

In the plaint filed in the High Court the plaintiff stated that the defendant, by adopting the name of yahoo.india offering services similar to those provided by the plaintiff, had been passing off services and goods of its own as those of the plaintiff's trade mark and that this was identical to or deceptively similar to the plaintiff's trade mark. The plaintiff claimed that the defendant could not adopt the domain name/trade name adopted by the plaintiff and that it (the plaintiff) was entitled to protection against passing off, as in the case of trade mark.

Refuting the plaintiff's contentions, the defendant has stated that the trade mark laws in India relate to goods and, therefore, provisions of Trade and Merchandise Marks Act, 1958 were not applicable to the facts of this case, that the trade mark/domain name of yahoo was not registered in India and that, therefore, there could be no action for infringement of the registered trade mark. Further the term yahoo was a general dictionary term. Since it was not a word invented by the plaintiff, it could not claim to have acquired any distinctiveness. Thirdly, persons using internet being technically qualified, literate persons there was no possibility of their mistaking one for the other.

*Decision & Reasons:* Should action for infringement or passing off lie only in respect of goods? The principle underlying action of passing off is that no man is entitled to carry on business of another or to lead him to believe that he was carrying on or has any connection with the business being carried on by another person. Passing off action is a common law remedy. Principles of common law govern actions of passing off. Where parties were engaged in common or overlapping fields of activity competition would take place but if two contesting parties are involved in the same or similar line of business there is bound to be a grave and immense possibility for confusion and suspicion and, therefore, there is possibility of suffering damage.

In the instant case both the parties have a common field of activity: operating on the web site and providing information, which is almost similar in nature. Courts in the United States have held that the domain name serves the same functions as the trade mark and that it is not a mere address or like finding number on the internet and, therefore, domain name is entitled to equal protection as trade mark. A domain name is more than a mere internet address for it also identifies the internet site to those who reach it. It is also held that where the value of a name consists solely in its resemblance to the name or trade mark of another enterprise the court will normally assume that the public is likely to be deceived, for why would the defendants choose it?

Although the word 'services' may not find place in sections 27 and 29 of the Trade and Merchandise Marks Act 1958, the expression 'services rendered' has come to be recognised for an 'action of passing off'. Thus the law of passing off is an action under the common law which also is given statutory recognition in the Act. It cannot, therefore, be said that passing off action cannot be maintained against services on the ground that it could be maintained only for goods.

With the advancement of technology, services rendered on the internet have also come to be recognised and accepted and are being given protection to the provider of service from passing off as services rendered by others as those of the plaintiff. In the instant case yahoo of the plaintiff and yahoo.india of the defendant are almost similar except for the use of the suffix "india" by the defendant. In cases where the degree of similarity of the markets is of vital importance in an action for passing off, there is every possibility and likelihood of confusion and suspicion being caused. When both the domain names are considered, it becomes clear that the two being almost identical or similar in nature, there is every possibility of a user of internet being confused and deceived into believing that both the domain names belong to one common source and connection, although the two belong to two different sources.

There is no merit in the argument that since the users of internet are sophisticated persons, there is no risk of confusion. This is because though he/she is a sophisticated person, as a consumer he may be unsophisticated and such person may first go to defendant's internet site. The other argument that since yahoo is taken from a dictionary it cannot be appropriated as the domain name/trade mark of any particular person. There are a number of instances where such words are used by various companies as their trade marks. Those words have acquired uniqueness and distinctiveness and are associated with the business of the concern. And such words have received protection from courts as for example Whirlpool.

**Rediff Communications Ltd. v. Cyberbooth [(2000) CLA BL-Supp. 115; A. P. Shah J (Bom)].**

**Facts:**

The plaintiff was a group of companies named Rediffusion Dentsu Young and Rubican Advertising Ltd. The domain name of Rediff used by the plaintiff comprised of the first six letters (shown in bold) of the group name and is associated with the plaintiff and its group of companies. The domain name was registered by the plaintiffs. In the present suit they alleged that the domain name of Radiff.com registered by the defendants was intended to induce members of the public into believing that the defendants were associated with the plaintiffs and/or part of the Rediff group of companies. Adoption of the name, according to them, was a deliberate act on the defendant's part to pass off their business services as those of the plaintiff. On the other hand the defendants contended that the name was derived by taking the first three letters of Radical and the first letters of the three words 'information' and 'future' and 'free'. Therefore, according to them, there was no likelihood of deception or confusion between the two domain names.

The question before the Court was whether the domain name Radiff chosen by the defendants was deceptively similar to the domain name/mark of the plaintiffs and whether they seek to pass off their goods and services as those of the plaintiffs.

*Decision & Reasons:* To promote themselves and their products, in some cases to buy and sell goods and services, internet is being used by commercial organisations all over the world. For these purposes they need a domain name identifying the computer which they are using. The domain name enables them to have a e-mail address and a web site address. Decisions of American, English and Indian Courts establish that the internet domain names are of importance and can be valuable corporate assets. A domain name is more than an internet address and is entitled to equal protection as trade mark. With the advancement and progress in technology services rendered on the internet site have also come to be recognised/ accepted and are being given protection so as to protect such provider of service from 'passing off' the services rendered by others as his own services.

Passing off: its meaning and scope: The principle underlying the action of passing off is that no one is entitled to carry on his business in such a way as to lead to the belief that he is carrying on the business of another man or to lead to believe that the carrying on has any connection with the business being carried on by another man.

In the instant case the plaintiff and the defendant were carrying on business of communication and providing services through the internet. They were operating the web sites and providing information of a similar nature. The domain name of Rediff adopted by the defendant was almost similar in nature to the domain name of the plaintiff. There is therefore every possibility of an internet user getting confused and deceived into believing that both the domain names belonged to one common source.

The explanation offered by the defendants for using their domain name made no sense. The only object in adopting the domain name of Rediff was to trade upon the reputation of the plaintiff's domain name of Rediff which they had built up for themselves. The defendant's argument that their field of activity was different from that of the plaintiff had no substance. The field of activity in both cases was similar and overlapping.

***Uniply Industries Ltd. v. Unicorn Plywood (P) Ltd. [2001(3) SCALE 642; S. Rajendra Babu and K. G. Balakrishnan JJ].***

**Facts:**

The appellant and the respondent were dealers in plywood and plywood products. While the appellant was established in 1996 the respondent was established in 1993. Both did the same business, each of them adding 'UNI' before the word 'PLY' and 'Board'. Each claimed that they had right of trade mark in respect of these products but no clinching evidence to establish their right of trade mark had been brought on record.

Applications of both of them for registration of trade mark under the Trade & Merchandise Marks Act, 1958 were pending investigation. The Supreme Court observed that in the state of material placed before the lower courts, they should have been wary and cautious in granting injunction that affected the trade and business of another person.

The Supreme Court observed: There are many precedents that for inherently distinctive marks ownership is governed by priority of use of such marks. The first user in the sale of goods or services is the owner, who is senior to the others. These marks are given legal protection against infringement immediately upon adoption and use in trade, if two companies make use of the same trade mark and the gist of passing off in relation to goodwill and reputation to goods.

Some courts indicate that even prior sales of goods, though small in size, with the mark are sufficient to establish priority, the test being to determine continuous prior user and the volume of sale or the degree of familiarity of the public with the mark. Bona fide test of marketing, promotional gifts and experimental sales in small volumes may be sufficient to establish a continuous prior use of the mark. But on other occasions courts have classified small sales volumes as so small and inconsequential for priority purposes. These facts have to

be thrashed out. In the instant case the courts below had merely looked at what the prior case is and tried to decide without considering various other aspects arising in the matter.

**Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd. [2001 CLC 564; B. N.Kirpal, Doraiswamy Raju and Brijesh Kumar JJ (SC)].**

**Facts:** Both the appellant and the respondent were pharmaceutical firms. In a suit for injunction the appellant claimed that a medicine being sold by the respondent under the name of Falcitab was similar to the drug being sold by it (the appellant) under its brand name of Falcigo and that the drug would be passed off as the appellant's drug Falcigo which is used for the treatment of the same disease in view of the confusing similarity and deception in the names, more so because they were medicines of last resort.

The trial court held that the two drugs Falcitab and Falcigo differ in appearance, formulations and price, that they are sold to hospitals and institutions and that there was thus no chance of deception or of confusion specially as the drug was sold to hospitals and institutions and is not meant to be sold to any individual. The appellant's appeal was dismissed by a single Judge of the High Court holding that there was no chance of any passing off one product for the other.

At the special leave stage the Supreme Court did not consider it necessary to interfere with the orders of the High Court but directed the courts below to expedite disposal of the suit. The Court had, however, set out the factors to be kept in mind while dealing with an action for infringement and passing off, especially in cases relating to medicinal products. The Court observed that expression of opinion on merits at this stage would not be advisable.

For deciding the question of deceptive similarity in an action for passing off on the basis of unregistered trade mark the Court directed the trial court to decide the case keeping in view the following factors:

- (a) nature of marks, that is, whether the marks are word marks or label marks or composite marks;
- (b) degree of resemblance between marks phonetically similar and hence similar in idea;
- (c) nature of the goods in respect of which they are used as trademarks;
- (d) similarity in the nature, character and performance of the goods of rival traders;
- (e) class of purchasers who are likely to buy the goods bearing the marks they require, on their education and intelligence and a degree of care they are likely to exercise in purchasing and/or using the goods;
- (f) mode of purchasing the goods or placing orders for the goods and any other surrounding circumstances which may be relevant in the extent of dissimilarity between the competing marks.

*Introductory:* Most of our laws are modelled on laws enacted by the British Parliament and the enunciation of laws by our courts is based on the principles of interpretation laid down by superior courts in England. Although the Trade & Merchandise Marks Act, 1958 is based on English law and principles of law laid down in respect of trade marks and passing off action by courts in England, the Supreme Court in the instant case, has struck a note of warning that courts should be wary of using English principles in their entirety, without regard to Indian conditions (for reasons explained in the judgment). This is because in India there is no common language for the whole country, a large majority of the population is illiterate even in their own mother tongue. Only a small percentage of people know English. In trade marks and passing off action cases the Supreme Court observed that 'To apply the principles of English law regarding dissimilarity of the marks or the customer knowing about the distinguishing characteristics of the plaintiff's goods is to overlook the ground realities in India, (see also *Corn Products Refining Co. v. Shangrila Food Products Ltd.*, (1960) 1 SCC 142, for more detailed observations on the point).

In the case of medicinal preparations, however, courts have carved out an exception. It is said that the test to be applied for adjudging violation of trade mark law in these cases may not be at par with cases involving non-medicinal products. 'A stricter approach is adopted because while confusion in the case of non-medicinal products may only cause economic loss to the plaintiff confusion between two medicinal products may have disastrous effects. Stringent measures should be adopted especially where medicines are the medicines of last resort, as any confusion in such medicines may be fatal. Confusion as to the identity of the product itself could have dire consequences on public health. "Public interest would support lesser degree of proof showing confusing similarity in respect of medicinal preparations. Drugs are poisons, not sweets. Confusion between medicinal products may be life threatening.

It is not uncommon that in hospitals drugs can be requested verbally. Many patients may be elderly or infirm or illiterate, may not be in a position to differentiate between one medicine and another.

It is perhaps for this reason that the Drugs and Cosmetics Act has provided that anything that indicates imitation or resemblance of one drug with another drug in a manner that is likely to deceive to be regarded as spurious drug. It is to avoid such situation; the Act enjoins that the authority granting permission to manufacture a drug should be satisfied that there will be no confusion or deception in the market. The authority can ask the applicant to submit certain details to enable that authority to come to a correct conclusion.

#### *Trademark and passing off action: compared*

Trademark is essentially adopted to advertise one's product and to make it known to the purchaser. It attempts to portray the nature and quality of a product. And over a period of time when the product becomes popular, temptations sprout up and induce others to pass off a similar or nearly similar product of theirs as that of the original owner, though not in the same words and same symbols, but in a way that makes the gullible consumer believe the product that he is purchasing is the same as the one on whose quality he has full faith and confidence.

While an action for passing off is a common law remedy for passing off of one's own goods as those of another, action for infringement of a trade mark is a statutory remedy for vindication of one's own exclusive right to the use of trade mark in relation to those goods. The use by the defendant of a trademark is not essential in an action for passing off but is a *sine qua non* in the case of an action for infringement. In a passing off action the plaintiff's right is "against the conduct of the defendant which leads to or is intended to lead to deception. Passing off is said to be a species of unfair trade competition or of actionable unfair trading by which one person, through deception, attempts to obtain an economic benefit of the reputation that the other has established for himself in a particular trade or business. The action is regarded as an action for deceit".

Passing off action depends upon the principle that nobody has a right to represent his goods as the goods of some body else. That is, a man shall not sell his goods or services under the pretence that they were those of another person.

The modern tort of passing off has five elements—(1) a misrepresentation; (2) made by a trader in the course of his trade; (3) to prospective customers of his or ultimate consumers of goods or services supplied to them; (4) which is calculated to injure business or goodwill of another trader (in the sense that this is a reasonably foreseeable consequence); and (5) which causes actual damage to a business or goods of the trader by whom the action is brought or will probably do so.

*Trade & Merchandise Marks Act, 1958*: Under section 28 of this Act, on registration of a trade mark, its proprietor gets exclusive right to use the trademark in respect of the trade mark registered by him. However, in respect of a trademark that has not been registered, by virtue of section 27(1) no person shall be entitled to institute any

proceeding to prevent or to recover damages for infringement of unregistered trademark. [For an example of a case how right in a trademark can be decided where two persons are dealing in the same product with one common word say “Uni” in the name of their product but both of which remained unregistered over a period of time see the decision of the Supreme Court in *Uniply Industries Ltd. v. Unicom Plywood(P) Ltd.*, LW: 139.9.2001]

Sections 8 and 10 of the Act use the words “are likely to deceive or cause confusion”. The Act does not lay down any criteria for determining what is likely to deceive or cause confusion. “A trade mark is likely to deceive or cause confusion by its resemblance to another mark which is already on the register if it is likely to do so in the course of its legitimate use in the market where two marks are assumed to be in use by traders in the market.”

*Decisions of Supreme Court:* In *Amritdhara Pharmacy v. Satya Deo.*, [AIR 1963 SC 449] which is the earliest case on the point Amritdhara and Lakshmandhara, were two names in use relating to medicinal preparations which are likely to be purchased by people, both literate and illiterate, for quick alleviation of their suffering. The question was whether the two names Amritdhara and Lakshmandhara are likely to deceive and cause confusion in the minds of buyers. It is said that in such a case the question has to be examined from the point of view of a man of average intelligence and imperfect recollection. To such a man the overall structural phonetic similarity of the two words is likely to deceive or cause confusion. An illiterate villager would go more by the overall structural and phonetic similarity and the nature of the medicine he has previously purchased. Where the trade relates to goods largely sold to illiterate persons a critical comparison of the two words may disclose some point of difference but an unaware purchaser of average intelligence would be deceived by the overall similarity of the two names having regard to the nature of medicine he is looking for. In a passing off action the marks must be compared as a whole: it is not correct to take a part of one word and compare it with a part of another word. Each word must be considered as a whole and compared with the other word as a whole.

The purpose of comparison is for determining whether the essential features of the plaintiff’s trademark are to be found in that used by the defendant. The identification of the essential features of the mark is, in essence, a question of fact and depends on the judgment of the court based on the evidence led before it. This view has been followed by the court for over four decades in later cases.

Amritdhara was the trade name of a medicinal preparation that was used for quick alleviation of various ailments. When the respondent had applied for registration of his preparation Lakshmandhara, which was also a medicinal preparation for the same purpose as the appellant’s medicine, the question arose whether the name Lakshmandhara was likely to deceive the public or cause confusion to the trade. The Supreme Court had held that a consumer would go more by the similarity of the two names in the context of the widely known medicinal preparation that he wants for his ailment.

In *Dyechem Ltd. v. Cadbury (India) Ltd.* 2000(5) SCC 573, the Supreme Court seems to have departed from the principles laid down by the Court in earlier cases. It was observed that ‘where common marks are included in the common trade marks, more regard is to be paid to the parts not common and the proper course is to look at the marks as a whole but at the same time not to disregard the parts which are common’.

Commenting on these observations the Supreme Court held in the instant case that the principle applied in *Dyechem* was not correct for the reason that the ‘dissimilarities have to be more important than the phonetic similarity in the use of the words *Piknik* and *Picnic*. The Court disagreed with the view that ‘the principle of phonetic similarity has to be jettisoned when the manner in which the competing words are written is different and the conclusion so arrived at is clearly contrary to the binding precedent of this court in *Amritdhara* case where the phonetic similarity was applied by judging the two competing marks’. The Court held that the decision in *Dyechem* did not lay down the law correctly

In the Special Leave Petition(C) No.21594 of 2009 decided on 07<sup>th</sup> September, 2009 in the case of M/s.Shree

Vardhman Rice & Gen Mills v. M/s Amar Singh Chawalwala the Supreme Court held that:

“...Without going into the merits of the controversy, we are of the opinion that the matters relating to trademarks, copyrights and patents should be finally decided very expeditiously by the Trial Court instead of merely granting or refusing to grant injunction. Experience shows that in the matters of trademarks, copyrights and patents, litigation is mainly fought between the parties about the temporary injunction and that goes on for years and years and the result is that the suit is hardly decided finally. This is not proper.

### **Safeguards to be Taken by the Proprietor of a Registered Trade Mark to Protect his Rights**

The proprietor of a registered trade mark has to take some safeguards to protect his rights. He should use and renew the trade mark regularly and in time. If the trade mark is misused by others he should file a suit for infringement and passing off and also take criminal action.

## **MADRID AGREEMENT CONCERNING THE INTERNATIONAL REGISTRATION OF MARKS (1891) AND THE PROTOCOL RELATING TO THAT AGREEMENT (1989)**

### **Introduction**

The system of international registration of marks is governed by two treaties:

The Madrid Agreement, concluded in 1891 and revised at Brussels (1900), Washington (1911), The Hague (1925), London (1934), Nice (1957), and Stockholm (1967), and amended in 1979, and the Protocol relating to that Agreement, which was concluded in 1989, with the aim of rendering the Madrid system more flexible and more compatible with the domestic legislation of certain countries which had not been able to accede to the Agreement.

The Madrid Agreement and Protocol are open to any State which is party to the Paris Convention for the Protection of Industrial Property. The two treaties are parallel and independent and States may adhere to either of them or to both. In addition, an intergovernmental organization which maintains its own Office for the registration of marks may become party to the Protocol. Instruments of ratification or accession must be deposited with the Director General of WIPO. States and organizations which are party to the Madrid system are collectively referred to as Contracting Parties.

The system makes it possible to protect a mark in a large number of countries by obtaining an international registration which has effect in each of the Contracting Parties that has been designated.

### **Who May Use the System?**

An application for international registration (international application) may be filed only by a natural person or legal entity having a connection, through establishment, domicile or nationality, with a Contracting Party to the Agreement or the Protocol.

A mark may be the subject of an international application only if it has already been registered with the Trademark Office (referred to as the Office of origin) of the Contracting Party with which the applicant has the necessary connections. However, where all the designations are effected under the Protocol (see below) the international application may be based on a mere application for registration filed with the Office of origin. An international application must be presented to the International Bureau of WIPO through the intermediary of the Office of origin.

### **The International Application**

An application for international registration must designate one or more Contracting Parties where protection is sought. Further designations can be effected subsequently. A Contracting Party may be designated only if it is party to the same treaty as the Contracting Party whose Office is the Office of origin. The latter cannot itself be designated in the international application.

The designation of a given Contracting Party is made either under the Agreement or under the Protocol, depending on which treaty is common to the Contracting Parties concerned. If both Contracting Parties are party to both the Agreement and the Protocol, the designation will be governed by the Agreement, in accordance with the so-called "safeguard clause"

Where all the designations are effected under the Agreement the international application, and any other subsequent communication, must be in French. Where at least one designation is effected under the Protocol, the applicant has the option of English or French, unless the Office of origin restricts this choice to one of these.

The filing of an international application is subject to the payment of a basic fee (which is reduced to 10% of the prescribed amount for international applications filed by applicants whose country of origin is a Least Developed Country (LDC), in accordance with the list established by the United Nations), a supplementary fee for each class of goods and/or services beyond the first three classes, and a complementary fee for each Contracting Party designated. However, a Contracting Party to the Protocol may declare that when it is designated under the Protocol, the complementary fee is to be replaced by an individual fee, whose amount is determined by the Contracting Party concerned but may not be higher than the amount which would be payable for the registration of a mark with its Office.

### **International Registration**

Once the International Bureau receives the international application, it carries out an examination for compliance with the requirements of the Agreement, the Protocol, and their Common Regulations. This examination is restricted to formalities, including the classification and comprehensibility of the list of goods and/or services; any matter of substance, such as whether the mark qualifies for protection or whether it is in conflict with an earlier mark, is left to each designated Contracting Party to determine. If there are no irregularities, the International Bureau records the mark in the International Register, publishes the international registration in the WIPO Gazette of International Marks, and notifies it to each designated Contracting Party.

### **Refusal of Protection**

These Contracting Parties may examine the international registration for compliance with their domestic legislation and, if some substantive provisions are not complied with, they have the right to refuse protection in their territory. Any such refusal, including the indication of the grounds on which it is based, must be communicated to the International Bureau, normally within 12 months from the date of the notification. However, a Contracting Party to the Protocol may declare that, when it is designated under the Protocol, this time limit is extended to 18 months. Such a Contracting Party may also declare that a refusal based on an opposition may be communicated to the International Bureau even after this time limit of 18 months.

The refusal is communicated to the holder, recorded in the International Register and published in the Gazette. The procedure subsequent to a refusal (such as an appeal or a review) is carried out directly between the administration or court of the Contracting Party concerned and the holder, without any involvement of the International Bureau. The final decision concerning the refusal must, however, be communicated to the International Bureau, which records and publishes it.

### Effects of an International Registration

The effects of an international registration in each designated Contracting Party are, as from the date of the international registration, the same as if the mark had been deposited directly with the Office of that Contracting Party. If no refusal is issued within the applicable time limit, or if a refusal originally notified by a Contracting Party is subsequently withdrawn, the protection of the mark in question is, from the date of the international registration, the same as if it had been registered by the Office of that Contracting Party.

Protection may be limited with regard to some or all of the goods or services or may be renounced with regard to only some of the designated Contracting Parties. An international registration may be transferred in relation to all or some of the designated Contracting Parties and all or some goods or services.

### Advantages of the Madrid System

The system of international registration of marks has several advantages for trademark owners. Instead of filing many national applications in all countries of interest, in several different languages, in accordance with different national procedural rules and regulations and paying several different (and often higher) fees, an international registration may be obtained by simply filing one application with the International Bureau (through the Office of the home country), in one language (either English or French) and paying only one set of fees.

Similar advantages exist when the registration has to be renewed; this involves the simple payment of the necessary fees, every 10 years, to the International Bureau. Likewise, if the international registration is assigned to a third party or any other change, such as a change in name and/or address, has occurred, this may be recorded with effect for all the designated Contracting Parties by means of a single procedural step.

### DOMAIN NAMES

Domain names are the human-friendly form of Internet addresses. A domain name is a unique name that identifies a website. For example, the domain name of the Tech Terms Computer Dictionary is “techterms.com.” Each website has a domain name that serves as an address, which is used to access the website.

Whenever we visit a website, the domain name appears in the address bar of the web browser. Some domain names are preceded by “www” (which is not part of the domain name), while others omit the “www” prefix. All domain names have a domain suffix, such as .com, .net, or .org. The domain suffix helps identify the type of website the domain name represents. For example, “.com” domain names are typically used by commercial website, while “.org” websites are often used by non-profit organizations. Some domain names end with a country code, such as “.dk” (Denmark) or “.se” (Sweden), which helps identify the location and audience of the website

When we access a website, the domain name is actually translated to an IP address, which defines the server where the website located. This translation is performed dynamically by a service called (DNS). Domain names are formed by the rules and procedures of the Domain Name System (DNS). Technically, any name registered in the DNS is a domain name.

It is common-place for traders to have their electronic mail address and use the same in respect of their goods /services as trade name. In other words the domain name is being used as a trade name or trade mark, and the Registrar will, subject to the usual criteria of the Act, permit domain names to be registered as trade marks if otherwise registerable.

Elements of the domain name such as “.com” or “.co.in” are considered to be totally non-distinctive, much in the same way as “Ltd” and “Plc”. As a general rule, one should consider whether the remainder of the mark is descriptive or non-distinctive; if so, there is likely to be an objection under Section 9(1)(a) of the Act.

### Cyber squatting

Cybersquatting is the act of registering a domain name that is same as, or confusingly similar to, the trademark of another with the intention of selling (at a profit) the domain name to the trademark owner.

As long as a cyber squatter owns the domain name, the trademark owner cannot register his own trademark as a domain name. Thereby, a cyber squatter breaches the right of the trademark owner to utilize his own trademark. It is relevant to note that there is nothing wrong with the practice of reserving a domain name. Often, cyber squatters register words or phrases they hope will some day be sought after by new companies or new businesses. Such speculative domain name registration, (read, speculative cybersquatting) is very much legitimate.

The problem spawned by cybersquatting is augmented as entrepreneurs try to take advantage of the reputation of others by registering domain names which attract members of the public.

### World Intellectual Property Organisation (WIPO) Internet Domain Name Process

Domain names while designed to serve the function of enabling users to locate computers in an easy manner, they have acquired a further significance as business identifiers and, as such, have come into conflict with the system of business identifiers that existed before the arrival of the Internet and that are protected by intellectual property rights.

The tension between domain names, on the one hand, and intellectual property rights, on the other hand, have led to numerous problems that raise challenging policy questions. These policy questions have new dimensions that are a consequence of the intersection of a global, multipurpose medium, the Internet, with systems designed for the physical, territorial world.

In 1999, WIPO published its Report on the First WIPO Internet Domain Name Process, focusing on issues raised inter alia by the intersection of trademarks and domain names. The WIPO recommendations from the First Report were largely implemented by the Internet Corporation for Assigned Names and Numbers (ICANN), and have resulted in implementation of a successful administrative system for resolving domain name disputes involving trademarks and a system of best practices for domain name registration authorities, designed to avoid such conflicts.

However, a number of issues were identified as being outside the scope of the First WIPO Process, and required further consultation and resolution.

The Second WIPO Internet Domain Name Process was initiated at the request of the Member States of WIPO. The Second WIPO Process concerns a range of identifiers other than trademarks and is directed at examining the bad faith and misleading registration and use of those identifiers as domain names. These other identifiers, which form the basis of naming systems used in the real or physical world, are:

- International Non proprietary Names (INNs) for pharmaceutical substances, a consensus-based naming system used in the health sector to establish generic names for pharmaceutical substances that are free from private rights of property or control;
- The names and acronyms of international intergovernmental organizations (IGOs);
- Personal names;
- Geographical identifiers, such as indications of geographical source used on goods, geographical indications, and other geographical terms;

- Trade names, which are the names used by enterprises to identify themselves.

The international legal framework for the protection of these other identifiers is not as developed as it is for the protection of trademarks. In some cases, for example, geographical indications and trade names, elements of international protection exist, but they do not constitute a complete system that is uniformly applied throughout the world. In other cases, for example, personal names and the names of geographical localities, such as cities, used outside the context of trade in goods, there are no clear elements of an international framework.

The Report finds that there is considerable evidence of the registration and use of the identifiers examined in the Report as domain names by persons who might be considered not to be properly entitled to use the identifiers in question. Moreover, it is clear from the comments received by WIPO in the process leading to the Report that the registration of these identifiers as domain names by such persons offends much sensitivity. For example, many commentators considered that the registration as domain names of the names of eminent political, scientific or religious persons, or the names of countries, cities or indigenous peoples, by parties without any association with the persons, places or peoples concerned, was unacceptable.

The possibility of registering these identifiers as domain names is a on sequence of the first-come, first- served, highly automated and efficient nature of the stem used for domain name registration, which does not involve any screening of domain name applications. That same system has also allowed the tremendous growth that has taken place in the use of the Internet, while acting as the means of preserving universal connectivity on the Internet.

While the sensitivities offended by the registration and use of the identifiers considered in this Report by unconnected parties must be acknowledged, the insufficiencies of the current international legal framework must also be recognized. It is for the international community to decide whether it wishes to address any of these insufficiencies in order to establish an adequate legal basis to deal with the practices that might be considered to be unacceptable. Chapter Two of the Report outlines the instruments at the disposal of international community for this purpose.

These instruments include self-regulation, the deployment of the contractual system within the DNS that allows ICANN to ensure certain uniform rules with respect to domain name registries, registrars and registrants, and the more traditional instrument of the treaty. These instruments are not exclusive, but can be used in combination. Thus, the UDRP represents a deployment, through the contractual relations that make up the ICANN system, of established rules relating to trademark protection that have been developed in widely accepted treaties. It will be for the international community to choose not only whether it wishes to make new rules to deal with any of the identifiers examined in this Report, but also how it may wish to develop such rules and implement them.

The specific findings and recommendations made with respect to the various identifiers examined in this Report are:

- (i) For INNs, which are examined in Chapter Three of the Report, it is recommended that a simple mechanism be established which would protect INNs against identical domain name registrations. The mechanism would allow any interested party to notify WIPO that a domain name registration is identical to an INN, whereupon WIPO would, in conjunction with the World Health Organization (WHO), verify the exact similarity between the domain name and the INN and notify this to ICANN, which would, in turn, notify the registrar with which the registration was made that the domain name registration should be cancelled.
- (ii) For the names and acronyms of IGOs, which are examined in Chapter Four of the Report, it is recommended that States, as the constituents of IGOs, should work towards the establishment of an

administrative dispute-resolution procedure, akin to the UDRP, where an IGO could bring a complaint that a domain name was the same or confusingly similar to the name or acronym of the IGO, that it has been registered without legal justification and that it likely to create a misleading association between the holder of the domain name registration and the IGO in question.

- (iii) For personal names, which are the subject of Chapter Five of the Report, it was found that there no existing international norms dealing with their protection and that national legal systems provide for a wide diversity of legal approaches to their protection. The sensitivities offended by the registration of personal names as domain names by parties unconnected with the persons in question is recognized, and it is suggested that the international community needs to decide whether it wishes to work towards some means of protection of personal names against abuse of domain name registrations.
- (iv) For geographical identifiers, which are dealt with in Chapter Six, it is recognized that certain norms exist at the international level which prohibit false and deceptive indications of geographical source on goods and which protect geographical indications, or the names of geographical localities with which goods having particular characteristics derived from that locality are associated. However, these rules apply to trade in goods and may require some adaptation to deal with the perceived range of problems with the misuse of geographical indications in the DNS. Furthermore, the lack of an international agreed list of geographical indications would pose significant problems for the application of the UDRP in this area because of the need to make difficult choices of applicable law. It is suggested that the international framework in this area needs to be further advanced before an adequate solution is available to the misuse of geographical indications in the DNS. As far as other geographical terms are concerned, the Report produces considerable evidence of the widespread registration of the names of countries, places within countries and indigenous peoples as domain names by persons unassociated with the countries, places or peoples. However, these areas are not covered by existing international laws and a decision needs to be taken as to whether such laws ought to be developed.
- (v) For trade names, which are the subject of Chapter Seven, the situation is similar to that of geographical indications, insofar as certain international norms exist for the protection of trade names, but fundamental problems exist in identifying across differing national approaches what constitutes a protectable trade name, and consequently, in avoiding highly complex choices of applicable law on a global medium. It is recommended that no action be taken in this area.

## DOMAIN NAME DISPUTES IN INDIA

In India, no legislation explicitly describes cybersquatting or other domain name disputes. The Information Technology Act, 2000 (IT Act), which addresses many cybercrimes, oddly ignores the problem of domain name disputes and cybersquatting. However, domain names may be considered trademarks based on use and brand reputation. In the absence of appropriate law that deals with cybersquatting, victims can initiate an action for passing off and infringement of trademarks under the Trade Marks Act, 1999.

**1. “.IN”Dispute Resolution Policy** – In response to these issues the .IN Dispute Resolution Policy (.INDRP) was formulated by the .IN Registry for the domain name dispute resolution in India. The .INDRP claims to be in line with internationally accepted guidelines and relevant provisions of the Indian Information Technology Act 2000. Under the National Internet Exchange of India (NIXI), the .IN Registry functions as an autonomous body with primary responsibility for maintaining the .IN ccTLD and ensuring its operational stability, reliability, and security.

Proceedings at the .INDRP can be initiated by any person who considers that the registered domain name

conflicts with his legitimate rights or interests on the premise that:

- The registrant's domain name is identical or confusingly similar to a name, trademark or service mark in which he has rights; or
- the registrant has no rights or legitimate interests in respect of the domain name; and
- the registrant's domain name has been registered or is being used in bad faith. The registrant is required to submit to a mandatory arbitration proceeding if a complaint is filed. The .IN Registry appoints an arbitrator to proceedings in accordance with the Arbitration & Conciliation Act 1996. The arbitrator usually considers the domain name registered and used in bad faith in circumstances when:
  - the registrant has acquired the domain name primarily for the purpose of selling, renting, or otherwise transferring the registration to the owner of the trademark or service mark, or to a competitor of the complainant, for valuable consideration in excess of the registrant's documented out-of-pocket costs directly related to the domain name; or
  - the registrant has registered the domain name in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name, provided that the registrant has engaged in a pattern of such conduct; or
  - the registrant has intentionally attempted to attract Internet users to his website or other online location, by creating a likelihood of confusion with the complainant's name or mark as to the source, sponsorship, affiliation, or endorsement of the registrant's website or of a product or service on the registrant's website.

In the case of **Starbucks corporation v. Mohanraj** (Decided on 26<sup>th</sup> Nov, 2009) the respondent's domain name [www.starbucks.co.in](http://www.starbucks.co.in) was confusingly similar to the complainant's domain name [www.starbuscks.in](http://www.starbuscks.in), it was contended that the domain name of the respondent is identical and confusingly similar to the complainant's domain name. It was also contended that the respondent has no legitimate interest in the domain name. Further it was contended that the mark was used by the respondent in bad faith. The learned arbitrator held that the disputed domain name was confusing, similar and identical to the complainant and that they had right in the trademark. The respondent had registered the domain name in bad faith and so the domain name should be transferred to the complainant.

In the case of **Morgan Stanley v. Bharat Jain** (Decided on 28<sup>th</sup> October 2010) the disputed domain name [www.morganstanleybank.co.in](http://www.morganstanleybank.co.in) was registered by the respondent on June 20, 2010. The complainant contended that the addition of ccTDL «.co.in.» was insufficient to render the disputed domain name dissimilar to the complainant's mark MORGAN STANLEY. Hence the disputed domain name was confusingly similar to the above stated mark.

In the case of **GOOGLE Inc. v. Gulshan Khatri** (Decided on 6<sup>th</sup> May, 2011). The complainant filed the instant complaint challenging the registration of the domain name in favor of the respondent the grievance of the complainant was regarding the latter's act of adopting identical and identical domain name and that also in respect of similar services of the respondent.

The learned arbitrator held that the impugned domain name was identical and confusingly to the other prior registered domain name and registered trademark of the complainant and directed the registry to cancel the said domain name forthwith and transfer the said domain name in favor of the complainant.

In 2018, October 10 the .INDRP has restrain the respondent from using the domain name and transfer the domain name in favor of the complainant.

**2. Judicial Precedence** –There has been lot of instances of cybersquatting in the past few years in India. The courts always deal with matters related to domain name dispute and cybersquatting. In India one of the earliest judgments on cybersquatting was from the Bombay High Court in case of *Rediff Communication v. Cyberbooth*. In this case the court was of the opinion that the value and importance of a domain name is like a corporate asset of a company. In this case the defendant had registered the domain name radiff.com which was similar to rediff.com. The Court was of the opinion that internet domain names are of importance and can be a valuable corporate asset and such domain name is more than an Internet address and is entitled to protection equal to a trade mark. The court gave the decision in favor of the plaintiff.

In India, due to the absence of relevant cyber laws, cases are decided within the ambit of trademark laws by interpreting the principle of Passing off with regard to domain names in the court and by the .IN dispute resolution policy in India. On account of the problems Indian jurisdiction faced and the various jurisdictions looked into there is an urgent need to draft a new legislation in India which would expressly deal with cybersquatting and domain name disputes.

### LESSON ROUNDUP

- A trade mark provides protection to the owner of the mark by ensuring the exclusive right to use it or to authorize another to use it in return for payment.
- With the advent of WTO, the law of trade marks is now modernized under the Trade Marks Act of 1999 which provides for the registration of service marks and introduces various other provisions in conformity with the Trade Mark Law in developed countries.
- The current law of trade marks contained in the Trade Marks Act, 1999 and is in harmony with two major international treaties on the subject, namely, The Paris Convention for Protection of Industrial Property and TRIPS Agreement, to both of which India is a signatory.
- Under the Act, Central Government appoints Controller-General of Patents, Designs, and Trade Marks, the Registrar of Trade Marks for the purposes of the Trade Marks Act 1999.
- The registration procedure in India is based on the ‘first to file’ system. It is therefore important that the rights holder applies for the registration of its mark as soon as possible.
- The registration of a trade mark confers on the registered proprietor of the trade mark the exclusive right to use the trade mark in relation to the goods or services in respect of which the trade mark is registered. While registration of a trade mark is not compulsory, it offers better legal protection for an action for infringement
- The meaning of infringement has been enlarged as more actions shall be taken as constituting infringement which are listed in Section 29. The Act has simplified the provisions in relation to assignment of unregistered trade mark without goodwill providing that an unregistered trade mark may also be assigned with or without goodwill.
- The Act contains provisions relating to registered users and empowers the Registrar to vary or cancel registration as registered user on the grounds stipulated therein.
- The primary function of a collective mark is to indicate a trade connection with the Association or Organisation. To be registerable, the collective mark must be capable of being represented graphically and meet other requirements as are applicable to registration of trade marks in general.
- The function of a certification trade mark is to indicate that the goods or services comply with certain

objective standards in respect of origin, material, mode of manufacture of goods or performance of services as certified by a competent person.

- The proprietor of a registered trade mark has to take some safeguards to protect his rights. He should use and renew the trade mark regularly and in time. If the trade mark is misused by others he should file a suit for infringement and passing off and also take criminal action.
- The system of international registration of marks is governed by two treaties: the Madrid Agreement, and the Protocol relating to that Agreement. An application for international registration (international application) may be filed only by a natural person or legal entity having a connection, through establishment, domicile or nationality, with a Contracting Party to the Agreement or the Protocol.
- In 1999, WIPO published its Report on the first WIPO Internet Domain Name Process, focusing on issues raised inter alia by the intersection of trademarks and domain names.

### SELF TEST QUESTIONS

*These are meant for re-capitulation only. Answers to these questions are not to be submitted for evaluation.*

1. Enumerate the salient features of the Trade Marks Act, 1999.
2. Distinguish between the following:-
  - (a) Trade mark and property mark
  - (b) Trade mark and certification mark
  - (c) Assignment and transmission
3. Explain the following terms under the Trade Marks Act, 1999:-
  - (a) Well-known trademark
  - (b) Certification trademark
  - (c) Collective mark
  - (d) Permitted use
4. Who may apply for a trade mark? Briefly explain the provisions relating to registration process of a trademark.
5. The registration of a trade mark confers on the registered proprietor of the trade mark the exclusive right to use the trade mark in relation to the goods or services in respect of which the trade mark is registered. Discuss.
6. What are the grounds for refusal of registration of a trademark?
7. What is infringement? What actions under the Trade Marks Act, 1999 constitute infringement of a trademark?
8. What remedies are available to the owner of the mark in the case of infringement of his trademark?
9. What is the position of an unregistered trade mark under the Trade Marks Act, 1999?

