ANAND AND ANAND

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1. Legal framework

The Trademarks Act 1999 governs the law of trademarks in India. Section 2(1)(zb) of the act defines a 'trademark' as a mark capable of:

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

It may include the shape of goods, their packaging and a combination of colours.

Under Section 28 of the act, a registered trademark gives the proprietor the exclusive right to use the mark in relation to the goods and/or services for which the mark is registered and to obtain relief in respect of infringement of the mark as provided under the act. Section 29 of the act defines 'infringement' of a registered trademark as the use of the mark or a deceptively similar mark by a person not permitted to do so in the course of trade. This definition has been expanded by the courts to include use of not just the entire mark, but also essential features of the mark.

In addition to the protection afforded under the Trademarks Act, mark owners are protected under Section 20(2) of the Companies Act 1956, which prohibits the registration of a company under a name identical or similar to the name registered by an existing company.

In addition, India is party to the following international treaties and conventions:

- the Paris Convention for the Protection of Industrial Property;
- the World Trade Organization Agreement on Trade-Related Aspects of Intellectual Property Rights;
- the Vienna Codification for Graphic Marks; and
- the Nice Classification of Goods and Services.

2. Unregistered marks

As per Section 27 of the act, an unregistered user of a mark is precluded from filing an action for infringement of that mark. However, the act acknowledges the common law rights of a trademark owner to take action against any person for passing off its goods and services as those of the mark owner.

Although registration under the Trademarks Act is *prima facie* evidence of validity of a trademark, prior use of a mark is superior to registration thereof.

The three elements required to prove passing off are:

- goodwill;
- deception; and
- damage.

An action for passing off is in essence a fact-based action. Although the use required to establish an unregistered right is not quantified, it depends largely on the goodwill and reputation accruing to the mark.

3. Registered marks

Application

Anyone claiming to be the proprietor of a trademark can apply to the registrar of trademarks in writing in the prescribed manner for registration of the mark as per Section 18 of the act.

Scope of protection

Section 9 of the act enumerates the absolute grounds for refusal (ie, objections inherent in the mark itself that make it unregistrable). These include marks which are:

- not distinctive or incapable of distinguishing the goods;
- indicative of the quality or other descriptive character of the goods or services;
- generic names or marks common to trade, chemical names and international non-proprietary names, the nature of which will deceive the public or cause confusion;
- likely to offend religious susceptibility;
- scandalous or obscene;
- prohibited under the Emblems and Names (prevention of Improper Use) Act 1950; or
- identical to the shape of the goods, which is purely functional, is necessary to obtain a technical result or gives substantial value to the goods.

Section 11 of the act sets out the relative grounds for refusal, including that the mark is:

- identical or similar to an earlier mark registered for identical or similar goods or services; and
- identical or similar to an earlier well-known trademark used for dissimilar goods or services.

4. Procedures

Registration

Any person or entity claiming to be the proprietor of a trademark can apply for registration. Before applying for registration, the applicant may apply for a report from the registrar of trademarks as to whether an identical or similar mark has already been registered. The applicant can also conduct private searches using the registry records. The application should be filed in Form TM-1 under the Trade and Merchandise Marks Rules 1959. The rules prescribe the classes of goods for which registration can be sought. If applications are made for registration of the mark in respect of more than one class of goods, separate applications should be filed for each class. The application should be accompanied by the prescribed fee. The application should clearly define the scope and content of the right applied for.

Once the application is received, the registrar will examine the application and communicate any objections to the applicant.

Examination procedure: The examination of the trademark application considers compliance with:

- the filing requirements set out under the Trademarks Act and the Trademark Rules 2002; and
- the substantive requirement for registrability of the mark, as set out above.

The examiner issues a consolidated examination report stating any objections to the registration, along with a search report listing any existing conflicting marks. The applicant then responds to any objections. The application is then accepted with or without restrictions, or refused. If accepted, the application is then advertised in the *Trademark Journal*.

Opposition proceedings: Section 21 of the act provides for a period of three months (extendible by up to one month) following advertisement during which registration of the trademark may be opposed. An opposition can be filed only before the registrar and cannot be taken directly either to the courts or to the IP Appellate Board (IPAB). If the opposition is successful, registration will be refused. If it fails, the mark will be registered. According to Section 21, anyone may give a notice of opposition to registration of a trademark. The notice of opposition should be filed on Form TM-5 and accompanied by the prescribed fee. It should contain:

- the application number against which the opposition is entered;
- the name of the trademark applicant; and
- the grounds on which the opposition is based.

The grounds for opposition may be that the mark is neither distinctive nor capable of distinguishing, or other grounds. The registrar of trademarks has wide powers regarding oppositions. In *Krishna Oil Industries v Assistant Registrar of Trademarks* (2008 (37) PTC 162 (IPAB)) the court held that the registrar has the power to grant an extension of time for filing evidence in support of opposition.

Section 91 of the Trademarks Act provides for an appeal against an order or decision of the registrar to the IPAB. In some cases, parties may invoke the writ jurisdiction of the High Court.

Post-registration proceedings: After a trademark is registered, the following proceedings can take place:

- renewal;
- removal of a trademark for non-renewal and restoration of registration of a removed mark;
- registration of a registered user;
- assignment;
- rectification of the Trademarks Register; or
- alteration of a registered trademark under Section 59.

Rectification of Trademarks Register: A mark may have been incorrectly registered or may remain on the register incorrectly. In such cases the act provides for rectification of the register. Any interested party may file a petition for cancellation of registration or rectification of the register. For rectification of the register, an application should be filed before the Trademarks Registry or the IPAB. The grounds for rectification include that the registration:

- was obtained by misrepresentation;
- is contrary to some provisions of the act;
- is likely to cause confusion; or
- has not been in continuous use for five years.

In *Obsurge Biotech Ltd v East West Pharma* (2008 (36) PTC 542 (IPAB)) a rectification application was filed for the mark SERADIC. The court held that the respondent's mark had been wrongly registered because rival marks were phonetically, visually and structurally identical and there was a likelihood of confusion. While elaborating the grounds for non-use in *Kabushiki Kaisha Toshiba v TOSIBA Appliances Co* (2008 (37) PTC394 (SC)), the Supreme Court held that under Section 46(3), non-use of a trademark which is shown to have been due to special circumstances in the trade, and not due to an intention to abandon or not to use, does not amount to non-use. The court can order the removal of the registered mark from the register in view of Section 47 of the act if it is proved that:

- the mark was registered without a good-faith intention on the part of the applicant to use the trademark in relation to the goods or services offered by it; and
- there was no good-faith use of the mark up to three months before the date of application.

Elaborating on the fraud ground, the Delhi High Court in *Safari International v Subhash Gupta* (2008 (36) PTC 610 (Del)) held that to establish an allegation of fraud, the appellant should have placed on record sufficient and cogent evidence.

5. Enforcement

The Trademark Act and the Trademark Rules provide for statutory enforcement mechanisms. Under the act, both civil and criminal remedies are available to take action against the infringement or unauthorized use of a mark. In addition, other remedies are available to right holders under the Customs Act 1962, which deals with the import or export of goods and confiscation of infringing materials by the relevant authorities.

Civil remedies

Depending on the status of a trademark (ie, registered, unregistered or pending registration), civil proceedings can be initiated either under the tort of passing off or on the grounds of statutory infringement under the act. The act provides that no action can be taken for infringement of an unregistered trademark in India. However, registration of a trademark does not affect any rights acquired under common law by the use of such mark. Therefore, in case of an unregistered mark, common law rights have been protected whereby the proprietor of any mark may sue for passing off arising out of the use by the defendant of any mark that is identical or deceptively similar to the plaintiff's mark in the appropriate court. In *BDA Pvt Ltd v Paul P John* (2008 (37) PTC 569 (Del)) it was held that in order to support an allegation of passing off, the plaintiff must show that the defendant has attempted to pass off its goods as those of the plaintiff through misrepresentation. The court considers the overall impression that is gained by looking at the two products. Delay and acquiescence are material considerations for the grant of an interlocutory order. Further, in *Ford Motor Co of Canada Ltd v Ford Service Centre* 2009 (39) PTC 149 (Del), it was held that the use of similar marks by a third party cannot be a defence to an illegal act of passing off.

Civil proceedings are governed by the Code of Civil Procedure 1908. The general rule is that a suit can be filed in court where the defendant resides or carries on business or personally works for gain, or where the cause of action of the case arises, wholly or partially. The Trade and Merchandise Act 1958 prescribed that the appropriate court was to be determined on the basis of the location of the defendant. However, Section 134(2) of the 1999 act allows a rights holder to file suit for trademark infringement in the court where the registered proprietor resides or carries on business.

The following relief can be granted by the court:

- injunction – subject to such terms as the court thinks fit and at the option of the plaintiff;
- damages or accounts for profit; and
- delivery up of the infringing labels and marks.

In *Adobe Systems v Rohit Rathi* (2008 (37) PTC 523 (Del)) the court granted a permanent injunction to the plaintiff on discovering that the domain name 'www.adobeinc.org' had been registered by the defendants without any authorization or permission from the plaintiff.

Further, the Indian courts have regularly granted Anton Piller, *quia timet* and occasionally Mareva injunctions, and may appoint court commissioners to inspect a defendant's premises, as well as to seize and seal infringing goods. For instance, in *International Coffee and Tea, LLC v Mansukhani* ((2008) 152 PLR66) the court granted a *quia timet* injunction against the defendant, which had applied for the trademark THE COFFEE BEAN & TEA LEAF.

In granting interim relief the courts consider:

- the balance of convenience;
- whether the plaintiff has a *prima facie* case against the defendant; and
- whether the plaintiff would suffer irreparable harm were the order not issued.

Criminal remedies

The Trademark Act provides for criminal remedies against the falsification or false application of a trademark and the use of false trade descriptions. A complaint must be filed before the sessions judge within whose territorial jurisdiction the offence is committed. The provisions of the Criminal Procedure Code apply with respect to the proceedings. Criminal penalties include imprisonment for a term of between six months and three years, or a fine of between Rs50,000 and Rs200,000 (the punishment is higher in case of offences relating to drugs or food). Criminal remedies include search and seizure. If satisfied that a trademark offence has been, is being or is likely to be committed, a police officer above the rank of deputy superintendent has the power to search and seize infringing articles without warrant. However, before carrying out the search and seizure, the officer is required to obtain the opinion of the registrar of trademarks regarding the facts.

In addition to these remedies, goods bearing false trademarks or false descriptions are prohibited from being imported into India under the Customs Act 1962 and, when imported, are liable to detention or confiscation. Although the statute refers only to registered trademarks, the Customs Office is not prohibited from taking action against counterfeits involving unregistered trademarks.

6. Ownership changes and right transfers

As a trademark is a recognized form of intellectual property, it is capable of being transferred and assigned to another party. A trademark right is capable of transfer by way of assignment or transmission. The use of another party's trademark is unlawful if it has not been assigned or transmitted by due process of law. In contrast to assignment, transmission of a trademark takes place by operation of law, devolution to the representative of a deceased person or any other mode of transfer other than assignment.

Assignment must be in writing, specifying the terms and conditions of the transfer. Anyone that becomes entitled to a trademark by virtue of assignment or transmission can file a request for registration as a subsequent registered proprietor of the mark. Assignment can be made by filing Form TM-23/24, along with the deed of assignment, with the Trademark Registry. An infringement action can be sustained only by the registered proprietor, which includes the person whose name has been entered in the register as a subsequent registered proprietor.

When the rights in a trademark are assigned in favour of another, the public may still believe that the goods or services still emanate from the same source – more so in case of assignment in favour of different goods. Therefore, initially it was impossible to assign a trademark without assigning the goodwill of a business. However, modern trademark law considers the mark and the goodwill to be two separate things. If the proprietor assigns its trademark without the goodwill associated with the business, the assignee must put the mark to actual use and build a reputation. Thus, the law permits assignment with or without the assignment of goodwill. In addition, an assignment can be for only certain goods or only a certain territory.

The law relating to assignment is contained in Sections 37 to 45 of the Trademarks Act 1999. Section 37 provides that a registered proprietor may assign its rights in the trademark and give effectual receipts for any consideration for such assignment. However, this is subject to restrictions contained in the act and to any right appearing in the Trademark Register. Further, Section 38 provides that:

- registered trademarks are assignable with or without the goodwill of the business concerned; and
- the assignment can be for all goods or services in respect of which the mark is registered, or in relation to only some of the goods or services.

The assignment of an unregistered trademark is dealt with in Section 39, which states that an unregistered trademark may be assigned with or without the goodwill of the business concerned. Further, Section 40 provides that as a result of an assignment, multiple exclusive rights shall not be created.

7. Related rights

The courts have considered the overlap between trademarks and other IP rights in various cases.

In *Ahmed Oomerbhoy v Shri Gautam Tank* (2008 (36) PTC 193 (Del)) the plaintiff was engaged in the manufacture, distribution and sale of edible oils for more than 50 years under various trademarks, including POSTMAN, registered under the Trade and Merchandise Marks Act. The defendant had commenced the manufacture, distribution, sale and marketing of refined groundnut oil under the name and device of SUPER POSTMAN. The defendant used similar colour schemes, labels and containers to the plaintiff without the plaintiff's consent. The plaintiff filed suit for infringement of its copyrights and trademarks. The court held that the mark used by the defendant was similar, the goods were the same and the area of trade was also common. Essential features of the packaging, colour scheme and labels had been copied by the defendant in violation of the plaintiff's copyright. The minor differences in the get-up, packaging and colour scheme did not absolve the defendant from violating the plaintiff's copyright.

In *Sudhakar and Shri Lakshmi Agro Foods Pvt Ltd v SSP Durairaj* (2008 (36) PTC150 (Mad)) the applicant traded food and linked products under the registered trademark UDHAIYAM, along with a 'sun ray' device. The respondent traded in similar goods and allegedly infringed the applicant's trademark by selling its products under the trademark ARVEE, with a device deceptively similar to that of the applicant. The respondent contended that its labels were entirely different and distinctive from those of the applicants. On the question of whether the applicant had shown *prima facie* infringement of the registered trademark and copyright, and had committed the tort of passing off, the court held that even if a different device was used that was deceptively similar to that of the registered trademark, this practice must be prohibited by way of an injunction. The essential features of the respondent's trademark were found to be completely different from those of the applicant's trademark.

8. Online issues

The Internet poses a major threat to the protection of trademarks. Many businesses depend on the protection, enforcement and management of their trademarks online. Examples of the ways in which trademark rights can be violated online include:

- third-party registration of a well-known trademark as a domain name;
- registration of a domain name by the licensee or franchisee of the mark owner without prior consent of the licensor or franchisor;

- use of the trademark by competitor websites in the metatags and hidden text of the website; and
- keyword marketing.

However, most disputes relate to the third-party registration of a well-known trademark as a domain name. Consumers who do not know the domain name of a company often just type the company name into a search engine in order to find the company's website. Therefore, the domain name is not just an internet address – it also functions as a designation of origin and symbol of goodwill, and is therefore entitled to trademark protection. In *Oki Electric Industry Co Ltd v Walton* (2008 (36) PTC510 (NIXI)) the court held that since a domain name is accessible by all internet users, the need to maintain an exclusive symbol for such access is crucial. In order to establish trademark infringement in the case of similar domain names, the courts have adopted a traditional approach for finding a likelihood of confusion as follows:

- The mere registration of a well-known trademark as a domain name can give rise to liability for passing off.
- If the domain name owner uses its website to promote or offer goods or services that are confusingly similar to those offered by a trademark owner with prior rights, and the domain name and mark are confusingly similar, the trademark owner can bring an action for infringement just as it would for any other act of infringement.
- The use of another party's domain name is allowed where the domain name itself does not give rise to confusion.

Trademark dilution

The Indian courts have adopted this doctrine of trademark dilution in order to prohibit the misuse of well-known marks as domain names. In *Adobe Systems v Sh Rohit Rathi* (2008 (37) PTC 523 (Del)) the US plaintiff discovered that the domain name 'www.adobeinc.org' had been registered by the defendant without authorization or permission from the plaintiff. The defendant was using the domain name to carry on deceptive commercial activities relating to the plaintiff's products and was using the name 'Adobe Inc' to trade on the Internet. The court held that registration of a domain name containing a registered trademark or trade name is unauthorized unless the proprietor of the registered trademark licenses or authorizes such use. In determining the cases under this doctrine, the courts have adopted the traditional tests, such as confusing similarity. For example, in *Sukhsagar Enterprises v Sanskriti International* (2008 (36) PTC 653 (WIPO)) the court held that the addition of a suffix '.com' to a top-level domain name should not be taken into consideration in making the determination as to identity or confusing similarity.

Cybersquatting

The courts have also accorded protection to the rightful trademark owner in cases where the mark is infringed online through cybersquatting. 'Cybersquatting' is when a party registers a domain name that is similar or identical to another party's trademark and then attempts to sell the domain name to the rightful owner. In *Viking Range Corporation v Domains By Proxy* (2008 (37) PTC 624 (WIPO)) the complainant registered domain names worldwide containing the VIKING trademark. The respondent's registration consisted of the trademark with the suffix 's'. The court held it to be a registration in bad faith and opined that the addition of the suffix had no significance in distinguishing the domain name.

Metatagging

The courts have also taken action against clandestine trademark misuse through 'metatags' – special computer codes whose function is to emphasize keywords, making it easier for search engines to locate a website.

Dispute resolution

Although each country has its own law governing the protection of domain names, the rate of litigation is so high that such cases can take years for the courts to resolve. Therefore, there is widespread use of forums such as the World Intellectual Property Organization (WIPO) Arbitration and Mediation Centre, which offers an alternative to court litigation for the resolution of commercial dispute between private parties.

In India, the Trademarks Act provides protection to trademarks and service marks. Both the act and court judgments reveal that the protection available under the act is stronger than that required internationally. Rule 2 of the Uniform Domain Name Dispute Resolution Policy requires an applicant to determine that the domain name for which registration is sought does not infringe or violate another's rights. Thus, if the proposed domain name violates another person's trademark rights, it will violate Rule 2 of the policy. In such eventuality, the registrar can refuse to register the domain name. Thus, a domain name that is properly registered under international requirements is still subject to the Trademarks Act if a rights owner successfully proves that it has rights flowing from the act.

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Unregistered rights	
Protection for unregistered rights?	✓
Specific/increased protection for well-known marks?	✓
Examination/registration	
Representative requires a power of attorney when filing? Legalized/notarized?	✓ / ✓
Examination for relative grounds for refusal based on earlier rights?	✓
Registrable unconventional marks	3-D, colour combinations, olfactory, sounds ✓
Opposition	
Opposition procedure available? Term from publication?	3 months, extendible by 1 month ✓
Removal from register	
Can a registration be removed for non-use? Term and start date?	5 years' and 3 months' non-use ✓
Are proceedings available to remove a mark that has become generic?	✓
Are proceedings available to remove a mark that was incorrectly registered?	✓
Enforcement	
Specialist IP/trademark court?	✗
Punitive damages available?	✓
Interim injunctions available? Time limit?	✓
Ownership changes	
Is registration mandatory for assignment/licensing documents?	✗ / ✗
Online issues	
National anti-cybersquatting provisions?	civil actions may be available ✗
National alternative dispute resolution policy (DRP) for local ccTLD available?	INDRP ✓