India

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1. Legal framework

National
India brought into force the Trademarks Act 1999 on September 15 2003, thereby repealing the old Trade and Merchandise Marks Act 1958. The new act brought the Indian statutory framework with respect to trademarks into line with emerging worldwide trends as well as with India's obligations under the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs). The adherence to worldwide trends has been greatly accentuated by the fact that statutes on trademarks have been innovatively interpreted by the Indian courts. The courts' interpretation has probably been one of the greatest catalysts in bringing about a change in the perception of IP protection in India.

The Trademark Act has introduced sweeping changes to statutory trademark law, including provision for:

- the registration of service marks and collective marks;
- the filing of multi-class applications;
- the recognition of shapes, goods, packaging and colour combinations as registrable subject matter;
- the abolishment of Part B of the register and of the need for disclaimers;
- the increased term of registration and renewal from seven to 10 years;
- the recognition of the concept of well-known marks;
- simplified registration criteria; and
- the clarification of what constitutes unregistrable marks.

The new act also provides for:

- a broader scope of infringement for registered marks;
- the assignment of unregistered trademarks without goodwill;
- non-registered licensing of a registered trademark;
- the establishment of the Appellate Intellectual Property Board to hear appeals from the registrar;
- the district court's jurisdiction to decide infringement and passing off actions as being the same as for copyright infringement; and
- stringent penalties for offences.

The act has also removed the provisions on defensive registration.

International
The following international treaties apply in India:

- the Paris Convention for the Protection of Industrial Property;
- the TRIPs Agreement;
- the Vienna Codification for Graphic Marks (although India is not a signatory); and
- the Nice Classification (7th Edition) for Classification of Goods and Services (although India is not a signatory).

2. Unregistered marks

Protection
In addition to providing statutory protection to registered trademarks, the Trademarks Act provides for the protection of unregistered marks. This has its roots in the traditional common law system by invoking the tort of passing off. In a suit for passing off, the relief that the court may grant includes injunction and either damages or account for profits with or without any order for delivery of infringing labels and marks for destruction or erasure.

Although registration under the Trademarks Act is *prima facie* evidence of validity of a trademark, registration cannot trump rights in a prior mark.

Passing off is essentially an attempt to cause confusion in the minds of consumers by attempting to pass off one's own goods as those of another, with a view to benefiting from the goodwill and reputation enjoyed by that other party. To succeed in a passing off action based on use of a given mark or get-up, the plaintiff should be able to show that the disputed mark or get-up has, through use in India, become distinctive of its goods, so that Indian trade and consumers will assume that any goods bearing the mark or get-up are those of the plaintiff.

There are three essential elements to a claim for damages under the law of passing off:
- misrepresentation;
- damage; and
- goodwill.

In passing off actions where there has been no direct misrepresentation, establishing a likelihood of deception or confusion generally requires the existence of two factual elements:
- that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among the relevant class of purchasers; and
- that members of that class will mistakenly infer from the defendant's use of an identical or sufficiently similar name, mark or other feature that its goods or services are from the same source as or connected to the plaintiff's.

The seminal case on what amounts to deceptive similarity in a passing off action is *Cadila Health Care v Cadila Pharmaceutical Ltd* 2001 PTC (SC) 561, in which the two marks for which similarity was alleged were FALCITAB and FALCIGO, and where the Supreme Court identified the following criteria:
- the nature of the marks (ie, whether they are word marks, label marks or composite marks);
- the degree of resemblance between the marks;
- the nature of the goods for which they are used as trademarks;
- similarities in the nature, character and performance of goods of rival traders;
- the class of purchasers who are likely to buy goods bearing the marks;
- the method of purchasing the goods or placing orders; and
- other circumstances that may be relevant.

It is immaterial whether the plaintiff and defendant trade in the same field or in the same or similar products. Injunctions have been granted in passing off actions even where the plaintiff and defendant traded in entirely different products. For example, in *Daimler Benz Aktiegesellschaft v Hybo Hindustan* AIR 1994 Del 239, the plaintiff owned the MERCEDES BENZ trademark in relation to vehicles. The court granted an injunction restraining the defendant from using the trademark BENZ, as well as a "three-pointed star in a ring", in respect of undergarments.

Use requirements

The amount of use required to establish unregistered rights is not quantified. The party that asserts the unregistered rights bears the burden of proving that its mark is well known in India or enjoys a reputation or goodwill that could have facilitated passing off or confusion and/or deception.

3. Registered marks

Ownership

Section 18(1) of the Trademarks Act provides that any person that claims to be the owner of a trademark that it uses or proposes to use may apply to the registrar in the prescribed manner for registration of the mark. This provision essentially has three elements:
- 'any person', which would include partnership firms, associations, companies – whether incorporated or not – public and private trusts and so on;
- a claim to ownership; and
- use or intention to use.

Section 24(2) of the act also provides for joint ownership of a trademark. The trademark applicant must have a legitimate claim of ownership over the mark. This may be based on:

- use of the mark in relation to particular goods by the applicant itself or its predecessors in rights, interest and title; or
- its intention to make use of the mark.

A person may become the owner of a trademark either by virtue of use or by registration of the mark. Where use of the mark is merely proposed, the applicant cannot claim proprietary rights until such time as it initiates use or becomes a registered owner.

The term 'trademark' includes collective marks and certification marks.

As a signatory to the Paris Convention, India observes the national treatment principle, which requires that the law make no discrimination as to nationality. An effective commercial establishment in India is not required in order to file a trademark application. The national treatment rule also extends to nationals of countries that are not signatories to the Paris Convention, provided that they are domiciled, or have an industrial or commercial establishment, in a convention country.

Scope of protection

Protected: Under Indian trademark law, the definition of a 'trademark' for the purpose of registration is sufficiently wide to cover any of the following elements:

- any name, including personal names and surnames, and signatures;
- any invented word or arbitrary word that is not directly descriptive of the character or quality of the goods or services;
- letters, numerals or any combination thereof;
- devices, including fancy devices or symbols;
- monograms;
- colour combinations, or even a single colour in combination with a word or device;
- shapes of goods or their packaging;
- three-dimensional marks; and
- sound marks, when represented in conventional notation or described in words.

Based on the above, a trademark is registrable if it satisfies the following conditions:

- It is capable of being represented graphically;
- It is capable of distinguishing the goods or services of one person from those of others; and
- It is used in relation to goods or services for the purpose of indicating a connection in the course of trade between the goods or services and the owner or authorized user of the mark.

In establishing the second criterion above – distinctiveness – descriptive marks are usually weakest, with the degree of distinctiveness becoming increasingly strong for suggestive, arbitrary, fanciful and invented marks respectively. However, even descriptive words may acquire a sufficiently high degree of distinctiveness through use. The nature of the goods or services for which the mark is used affects how distinctive it is.

The advantage of this regime is that anything that is not prohibited from registration is registrable if it satisfies the above requirements. This has significantly increased the scope of registrable marks.

Not protected: Section 9 of the Trademarks Act sets out absolute grounds for refusal, which are based on objections inherent in the mark itself that make it unregistrable.

The act has departed from the previous legislation with regard to the essential requirements for registration of a trademark: in the current legislation, the registration requirements are incorporated in the definition of a 'trademark' and a clear distinction is made between Sections 9 and 11, which enumerate absolute and relative grounds for refusal of registration respectively.

The main difference between absolute and relative grounds is that registration of a trademark may be refused on absolute grounds due to a defect or deficiency inherent to the mark itself, while registration may be refused on relative grounds due to a defect or deficiency in the mark in relation to an existing mark. Section 11 is thus a complementary section that lays down grounds for refusal that include:

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

Under Indian law, statutory recognition has been given to the modern concept of trademark dilution, whereby use of a later mark takes unfair advantage of, or is detrimental to, the distinctive character or repute of an earlier trademark.

4. Procedures

Searches

The Trademarks Act requires that a search be made by the proposed applicant on the prescribed form to obtain a search report from the registrar. A trademark search carried out for a proposed trademark does not cover trade names. Graphic mark searches are not available as the Trademarks Office has not so far released for public use its database of device marks, logo marks or any graphic depiction of marks under the Vienna Codification.

The applicant is entitled to a refund of fees if, after the registrar issued a search report allowing the mark's application, he subsequently objects to the application on the grounds that the trademark resembles a mark that was on record on the date of the search but was not disclosed in the search report furnished to the applicant.

The Trademark Rules provide for obtaining an expedited search report on payment of five times the ordinary fees for such search. On such payment the search results are made available within seven working days instead of the usual 30 working days.

Examination

Where a trademark application is filed in the prescribed format, it will first be allocated an application number. The mark is then examined to see whether it satisfies the registration requirements. The current act has streamlined the registration procedure and an examination report is issued within a month of filing the application.

Any objections raised by the registrar are communicated to the applicant, who may submit a written response within a month of receiving notice (this period may be extended), or alternatively request the registrar for a hearing.

The registrar will communicate its decision to the applicant in writing; if the applicant is dissatisfied with this decision, it may request an appeal within the prescribed timeframe.

Opposition

Once the applicant has overcome all objections raised by the registrar, the application proceeds to publication in the *Trademarks Journal*, with an endorsement stating either that it has been accepted or that it is being published before acceptance.

After publication in the *Trademarks Journal*, anyone has three months (which may be extended by up to a further month at the registrar's discretion) to file a notice of opposition to registration.

In *PN Mayor v Registrar of Trademarks* AIR 1960 Cal 80, the court held that the opponent need not be the owner of an earlier registered trademark: even a customer, purchaser or member of the public who is likely to use the goods may object to registration of a trademark on the grounds of possible deception or confusion.

The question of acceptance or refusal of the trademark application will be considered only once the opposition proceedings have been completed. The onus is on the applicant to establish that it is entitled to registration of the trademark as applied for.

Registration

If an application has been published as accepted and is not opposed, or if any oppositions are decided in favour of the applicant, the mark will proceed to registration.

If the application has been published before acceptance and is not opposed during the opposition period, the registrar will then consider afresh whether to accept the application; if he decides in the affirmative, the mark will be registered. The fact of registration must be published in the *Trademarks Journal*.

Once an application has been accepted for registration and any oppositions have been decided in favour of the applicant, the registrar is obliged to register the mark.

Removal from register

Cancellation/surrender: Indian law allows for the cancellation of a registered trademark where the owner files an application under Section 58(1)(c). A cancellation application in this respect may be filed on Form TM-35. Although there are no stringent provisions to this effect, this procedure is availed of in the following circumstances:

- to avoid revocation proceedings where the owner is no longer interested in the mark; or
- where a new application that the owner intends to file would also cover the existing registration. In such cases the applicant agrees to cancellation of the existing mark if and when the new mark is registered. The registrar may accept an application for registration on condition that the applicant moves for cancellation of the existing registration before the new mark is registered.

Revocation: Section 47 of the Trademarks Act provides that any aggrieved person may submit an application to the registrar of the Appellate Board seeking the deletion of a trademark from the register in respect of the goods or services for which it is registered.

Further, a trademark may be removed from the register on the grounds of non-use if:

- it was registered without any good-faith intention to be used and has not been used in due course; or
- it has not been used for a continuous period of over five years.

Unlike an opposition, which may be instituted by 'any person', an application for rectification can be made only by an 'aggrieved person'.

Invalidation: Section 58 of the Trademarks Act provides for correction of errors and certain alterations to entries upon the application of the registered owner. The registrar may make further amendments or alterations to the registration certificate that result. Such additions or alterations should not substantially affect the identity of the registered trademark. The power conferred on the registrar by Section 58 is purely discretionary.

The introduction of an entirely new element to the mark in the guise of an amendment or alteration would be open to objections under Sections 9 or 11 or any other provisions of the Trademarks Act and its supplementary rules, and is not permitted.

5. Enforcement

The enforcement of trademark rights in India is adequately covered by statutory law. The applicable laws in relation to IP enforcement in India are the Code of Civil Procedure and the Penal Code. The Code of Civil Procedure provides for the civil remedies and enforcement through civil courts while the Penal Code provides for penal remedies.

Under the Trademarks Act, infringement of a registered trademark has been defined to include the use of an identical or similar mark in relation to goods or services that are not similar to those for which the trademark is registered, if:

- the registered trademark has a reputation in India; and
- the use of the infringing mark is likely to result in unfair advantage, or be detrimental to the distinctive character or repute of the registered mark.

A registered mark is also infringed by the use of an identical or similar mark as:

- a trade name or part of trade name; or
- the name of the business concern or part of the name of the business concern dealing in goods or services in respect of which the trademark is registered.

Jurisdiction: Indian trademark law represents a departure from the traditional procedural law on court jurisdiction. It provides that in case of infringement of a registered trademark or passing off, jurisdiction shall vest in the court within whose local jurisdiction the plaintiff actually and voluntarily resides, or carries on business or personally works for gain. This is in marked contrast to the law applicable to other statutes (except copyright law), which provides that a suit must be instituted in a court within whose local jurisdiction the defendant actually and voluntarily resides, or carries on business or personally works for gain.

Relief: The types of relief that a court may grant for infringement and passing off have also been enlarged under the Trademarks Act, as follows:

- permanent or temporary injunctions;
- compensatory or punitive damages;
- rendition of accounts; and
- delivery up of the infringing goods, labels and marks for destruction or erasure.

The act also empowers courts to proceed *ex parte* against defendants in cases where they refuse to appear. In such circumstances, *ex parte* orders may be issued for:

- injunctions;
- discovery of documents;
- preservation of infringing goods; and
- prevention of the defendant from disposing of or dealing with its assets in a manner that may adversely affect the trademark owner's right to recover damages, costs or other pecuniary remedies.

Case law: The enforcement of trademark rights in India has resulted in the development of a significant body of case law that now includes judicial pronouncements on almost all aspects of trademark law, including the following:

- well-known marks (*Tata Sons Ltd v Suresh Jain* 1922/2003);
- the onus of proof in infringement proceedings (*Durga Dutt Sharma v Navaratna Pharmacy Laboratories* AIR 1965 SC 980);
- colour combinations as trademarks (*Colgate Palmolive Company v Anchor Health and Beauty Care Pvt Ltd* 2003 (27) PTC 478 (Delhi));
- John Doe orders (*Ardath Tobacco Company Limited v Bhai* 141/2004);
- transborder reputation (*NR Dongre v Whirlpool Corporation* (1996) 5 SCC 714 and *MIV Holding mbH & Co v Mistrale Publishing Pvt Ltd* 2005 (30) PTC 377 (Del));
- delay and acquiescence (*Midas Hygine Industries P ltd v Sudhir Bhatia* 2004 (28) PTC 121 (SC) and *Dr Reddy's Laboratories Ltd v Reddy Pharmaceutical Limited* 2194/2003);

- effect of registration (*Koninklijke Philips Electronic NV v Smt Kanta Arora* 2005 (30) PTC 589 (Del));
- use of a prefix (*V & S Vin Spirit AB v Kullu Valley Mineral Water Co* 2005 (30) PTC 44 (Del)); and
- non-use defence (*Fedders Lloyd Corporation Ltd v Fedders Corporation* 2005 (30) PTC 353 (Del)).

Damages: The recent past has seen the emergence of a damages culture in IP litigation in India, whereby Indian courts, and more particularly the Delhi High Court, have handed down a series of decisions granting compensatory as well as punitive and exemplary damages to plaintiffs for the infringement of their IP rights. The trend of awarding punitive and exemplary damages started with the decision in *Time Incorporated v Lokesh Srivastav* 2005 (30) PTC 3 (Del), where the court awarded both compensatory damages and punitive damages for infringement of the trademark TIME together with the red border. The court awarded the plaintiff Rs500,000 to compensate for loss of reputation and an additional Rs500,000 in punitive damages. Including interest, the total damages award stood at Rs1.6 million. The court held that the defendant's magazine, which used the Hindi transliteration of the word 'Time' with the distinctive red border, was a slavish imitation of the plaintiff's trademark and held the defendant liable for infringement.

The welcome trend of awarding compensatory as well as punitive and exemplary damages was given further impetus by virtue of the following decisions of the Delhi High Court:

- *Adidas-Salomon AG v Jagdish Grover* 2005 (30) PTC 308 (Del);
- *Buffalo Networks Pvt Ltd v Manish Jain* 2005 (30) PTC 242 (Del);
- *Tata Sons Limited v Fashion ID Ltd* 2005 (30) PTC 182 (Del);
- *Microsoft Corporation v Yogesh Popat* 2005 (30) PTC 245 (Del); and
- *Cartier International BV v M/s Cartier Enterprises* CS (OS) 1208/2003.

6. Ownership changes – legalization requirements

The Trademarks Act does not require the legalization of documents; mere notarization is sufficient.

Assignment and transmission: The trademark law clearly states that the assignment of a trademark must be executed in writing by act of the parties concerned. Transmission includes transmission by operation of law, devolution by the personal representative of a deceased person and any other mode of transfer.

Licensing: The Trademarks Act provides for the definition of 'permitted user' in relation to a registered trademark, as defined in Section 2(1)(r). This includes use by a registered user as well as by an unregistered user, with the consent of the registered proprietor in a written agreement.

However, as stated in Section 53 of the act, a person using a registered trademark under an agreement without being recorded as a registered user would not be entitled to institute any proceedings for any infringement of the mark.

For unregistered marks, the law remains the same as laid down by the Supreme Court in *Cycle Corporation of India Ltd v TI Raleigh Industries Pvt Ltd* which allowed the use of the mark RALEIGH by an unregistered licensee to inure also to the benefit of the proprietor, provided that *de facto* quality control on the production of the licensee's goods was being exercised by the licensor.

7. Areas of overlap with related rights

It is possible for a single object to avail of different forms of IP protection. Although each category of IP law is aimed at a particular type of intellectual property, trade secret, copyright, patent and trademark law occasionally intersect.

The copyright and trademark regimes may both apply to the same item. For instance, the artwork in a package design may be protected by copyright, while the overall look and feel of the package may be protected as trade dress (a form of trademark).

Design registration and trademark registration may both be obtained for the same subject matter. For example, where the unique design of a bottle is granted design protection, the same shape may also obtain protection under trademark law, provided it has acquired distinctiveness and its registration is not expressly prohibited under the provisions of the Trademarks Act.

8. Online issues

The Indian courts have woken up to the reality that significant business is being carried out on the Internet and that such business may give rise to various forms of IP infringement. The very first decision on the protection of IP rights on the Internet came in *Yahoo! v Akash Arora* PTC 1999 201, where the Delhi High Court held that a domain name served the same function as a trademark and was therefore entitled to equal protection. As the domain names of the plaintiff and defendants were nearly identical and phonetically similar, there was every possibility that internet users would be confused and deceived into believing that the domain names had a common source or a connection.

The court further observed that the disclaimer used by the defendants was not sufficient because the nature of the Internet is such that use of a similar domain name could not be rectified by a disclaimer and that it does not matter that 'yahoo' is a dictionary word. The name had acquired uniqueness and distinctiveness and was associated with the plaintiff

In *Satyam Infoway Ltd v Siffynet Solutions Pvt Ltd* (2004) (28) PTC 566 (SC), the Supreme Court of India affirmed the inclination of the Indian judiciary to afford the same degree of protection to domain names as to trademarks. The Supreme Court held, among other things, that domain names are business identifiers and should be protected as far as possible by the law of passing off. The court also stated that domain names require specific protection under the law of passing off since they are not limited territorially and as a result may not be adequately protected by national laws such as the Trademarks Act.

India as yet does not have a national domain name dispute resolution policy, although a comprehensive '.in' Dispute Resolution Policy is being formulated on the basis of the Uniform Dispute Resolution Policy and also taking into account the broad framework of the Information Technology Act 2000. At present, disputes involving domain names can be resolved only by approaching the Indian courts.