

Course : PGDIPR-05



**Vardhaman Mahaveer Open University,
Kota**

**Trademarks, Geographical
Indications and Plant Variety
Protections**

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PGDIPR -05 –Trademarks, Geographical Indications, Plant Varieties Protection etc.

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Unit 1

Trademark

Nature, Meaning, Objectives and Conceptual Aspects

Objectives

After going through this unit, the student should be able to understand

- the and why of the trademarks they encounter everyday in their common life.
- how vital and relevant this branch of law is in terms of the interests of the trademark owners, the consumers and the concerns of the trade, commerce and competition in the market.

That can be better understood by a co-joint reading of conceptual aspect of the justification for the protection of trademarks as an intellectual property and the nature, meaning and objectives of the trademark law.

Structure

- 1.1 Introduction
- 1.2 Theoretical and jurisprudential underpinnings: The justifications
- 1.3 Origin and evolution of the trademark system
- 1.4 Introduction to international law regarding trademarks
- 1.5 Nature of trademark.
- 1.6 Function of trademark
- 1.7 Meaning of trademark.
- 1.8 Conclusion
- 1.9 Summary and Self-assessment test
- 1.10 Suggested readings

1.1 Introduction

In recent times, intellectual property has been receiving a lot of attention. Trademarks as a form of industrial intellectual property are one of them. They existed in the ancient world. Indian craftsmen used their signatures on their artistic

creations, manufacturers from China sold goods bearing their marks in the Mediterranean, likewise Romans used to mark their pottery. But the key role of the trademark come into light with a boom in industrialization. Competing products flooded the market with no apparent differences, but they did differ in quality, price and other attributes. Therefore, it became absolutely essential for the consumers to determine whether the goods they are purchasing have come from a particular desired source. They need a guide and therefore a name that was obviously the trademark. Similarly, trademarks are also powerful advertising and marketing tools. They are intangibles in the form of trademark are evolving as a very important valuable assets and in some cases even more than the physical assets of the company.

Quite understandably its significance in international trade was emphasized during the negotiations that led eventually to successful completion of the General Agreement on Tariffs and Trade (GATT)¹ Uruguay round on the world trading system. Eventually, Trade Related Aspects of Intellectual Property Rights (TRIPS)² agreement was signed in Marrakesh in 1994. The primary purpose was the harmonization of the intellectual property rights law around the world by creating a level playing field coupled with the strong desire to eradicate ever-increasing international counterfeiting³ and piracy⁴. In the background of these developments, the various intellectual property rights have become well known, which includes trademarks and geographical indications.

The present unit would be highlighting upon the nature, meaning, objectives and conceptual aspects of the trademarks, including a brief historical overview of the origin and the evolution of the trademark system.

1.2 Theoretical and Jurisprudential Underpinnings: The Justification

¹ General Agreement on Tariffs and Trade- basically, the world free-trading system- which, as a structure and organization, was succeeded by the World Trade Organization (WTO) as a result of Uruguay Round of negotiations.

² The final text of the TRIPS Agreement was published in (1994) 33 ILM 1197 and in (1994) 25 IIC 209. The text of the agreement is also available on www.wto.org

³Counterfeiting is first of all imitation of the product. It is not only identical but also gives the impression of being a genuine product coming from a genuine source. So it copies not only the product but also the trademark.

⁴Piracy generally means copying of the product, and used mostly in copyright law, but trademark piracy is also a reality, wherein, it means the registration or use of a generally well known foreign trademark that is not registered in the country or is invalid due to non-use.

Broadly speaking from an economic point of view, property rights are justified for following reasons: to maintain peace and order, to assign decision rights, to reward investment and to favor the diffusion of information. Summarily speaking why property rights are justified the arguments are, incentive (property rights gave them an incentive to be creative), reward (intellectual property awards people for their creative acts), morality (because he has employed his labour), public disclosure (it enhances incentive to disclose knowledge to the people which forms the bed rock for further development), technology transfer (intellectual property therefore can be traded in), and technology development.⁵ Unlike patents and copyright the justifications for trademarks are different, because trademark serves a contrasting purpose, it's a sign affixed, rather than a device for simulating the production of a commodity in the first place. The purpose of attaching it is to facilitate and enhance marketing of the commodity. It indicates to the consumers the source and reputation of the product and serves as an important advertising tool. Its role is adjunct to other intellectual property by enabling commercial exploitation of products, processes, designs and works. They also play a traditional function by acting as a stimulus in innovation. Besides it does not hamper competition others remain to come up with their own product in that line. The competitors are free, only thing is they cannot use identical or similar marks upon their products.

The justification can be bifurcated into two parts:

- a. *Private justification*: There exists a right to individual's private reputation which although is not protected by proprietary rights, but by remedies for defamation. Similarly there is a natural right to protect commercial reputation which constitutes an integral part of the business which is owned by a proprietor. Further an individual does not have an identifiable indica of reputation, but a sign must be capable of graphical representation. Thus, making property right appropriate.
- b. *Public justification*: Herein, trademark is seen as serving the consumer interest and also as an aid to the competition.

⁵ See Prima Braga, "The Developing Country Case For and Against Intellectual Property Protection", in *Strengthening Protection of in Developing Contries: A Survey of the Literature*, Siebeck, ed., World Bank Discussion Paper 112 at PP. 73-86 (1990) Also see Hughes, "The Philosophy of Intellectual Property", 77 Geo LJ 287 (1998).

- Consumer Interest, because buy indicating a source it enables consumers to make a choice between the competing products. Further trademarks are also a guarantee of quality which the consumer has previously experienced. In other words, trademark forces accountability on the producer for the product. It acts as an incentive to maintain the same quality. In fact, the mark operates as a form of consumer protection.⁶
- Aid to the competition, concerned mark encourages competition in the market by allowing competing products to remain identifiable for the consumers. The law can step in where dishonest practices have been resorted to by the competitors.

1.3 The Origin and Evolution of the Trademarks

The history dates back to almost two thousand years: the Roman embossed their pottery with a mark and ever since the merchants have used marks to distinguish their goods. Although the courts became involved in the actions against infringers (like damages at common law; deceit),⁷ no proper trademark law in place and the system continued to be dependent for a long time upon the common law principles. Absence of a law meant that every time a trader brought an infringement suit they were required to prove their title to the mark. This depended on the existence of an established reputation associated with the mark.

Change appeared in France and England and the problem was resolved with the introduction of a registration system, in 1875 under the Trademarks Registration Act. United Kingdom trademark legislation was consolidated by the Patents, Designs and Trademarks Act, 1883- the same year in which the Paris Convention was signed.⁸

The next step in the process was the introduction of the statutory definition of the term Trademark in the Trademarks Act, 1905. This was followed in the Trademarks Act, 1919, by the division of the register into Part A and B. Part A registration was stringent and it was compensated by better remedies. The Trademarks Act, 1938 was based on the same principles, but the drafting was more detailed. It was amended in

⁶ However that does not imply that consumer has a right to redressal under the trademark law. Some rights lies in consumer protection. Some authors have argued that consumers should be able to participate in their own protection, see, Kamperman Sanders and Maniatis, 'A Consumer Trademark: Protection based on Origin and Quality' [1993] EIPR 406.

⁷ See *Sykes v. Sykes* (1824) 3 B&C 541. Or on the basis of Unfair Competition like in *Sandforth's Case* (England, 1584) where a competing clothmaker marked woolen goods using the Plaintiff's mark. And in *Thomson v. Winchester* (36 Mass. [19 Pick] 214, 1837) where the defendant allegedly attempted to pass off inferior medicines employing the plaintiff's name.

⁸ The principles contained in the Convention apply to trademark as well as to patents, Article 2 of the Paris Convention, 1883.

1984 to also include service marks. The division of the register in two parts was done away by the Trademarks Act, 1994.⁹ More or less same trend was seen in India the previous legislation, that is, the Trade and Merchandise Marks Act, 1958 which also divided the register in Part A and B with different legal rights and absence of registration of service marks and provisions like these were repealed eventually by the Trademarks Act, 1999.¹⁰

As far as development on international scale is concerned the treaty system can be classified as three-fold:

- a. *Filing treaties*, such as the Madrid Agreement and its related Madrid Protocol, which enables trademark owners to file marks in many countries from one trademark office;
- b. *Protection treaties*, such as the Paris Convention, which enable trademark owners to protect their mark internationally and enforce their rights under them; and
- c. *Harmonization treaties*, such as the TRIPS Agreement, which attempt to standardize procedures and regulations for the filing of marks worldwide.¹¹

1.4 Introduction to International Law Regarding Trademarks

This part will examine in brief the major features of international treaties relating to trademarks:

- a. *TRIPS Agreement*: TRIPS defines a Trademark as “any sign or any combination of signs, capable of distinguishing the goods or services¹² of one undertaking from those of other undertakings.”¹³ The term ‘signs’ has been broadly defined to include personal names, letters, numerals, figurative elements, and combination of colors as well as any combination of these signs.¹⁴

⁹ For a detailed discussion on the evolution of the law of trademarks refer to C. Morocom, A. Roughton & J. Graham (2005) **The Modern Law of Trademarks**, 2nd Ed., London, Lexis Nexis, Butterworths, pp. 5-12.

¹⁰ See Statement of Objects and Reasons, **Intellectual Property Laws**, (2013) Universal Law Publishing Co. New Delhi, pp. 7-8.

¹¹ This classification has been developed in Mary M. Squyres, **Trademark Practice Throughout the World** 5-2 (1989).

¹² India follows the International Classification of Goods and Services under the NICE Agreement.

¹³ Article 15 Para. (1) TRIPS Agreement. Also note that the distinctiveness of the sign is the sole substantive criteria as per this Article.

¹⁴ Article 15 Para. 1.

It is also an expansion of the Article 6*bis* of the Paris Convention over the issue of protection to well-known marks. It obligates the member states to permit the owner of a well-known trademark to prevent a third party from registering (or using) an identical or similar trademark for identical or similar goods where a likelihood of confusion would result, even though the trademark owner may not have a registration in the country of interest.¹⁵ The owner of a registered trademark shall have the exclusive right to prevent all third parties from using identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark has been registered. For that purpose, it has an official trademark publication to give notice of a pending trademark registration application. The initial term has a duration period of seven years, as do renewal terms.

b. *Madrid Agreement, 1892*¹⁶ and *Madrid Protocol, 1996*¹⁷: they together establishes an international trademark registration system, under which, a single application in a single language can be filed to obtain an international registration for a single trademark in any or all of the countries that are members of the protocol, for a single fee. They do not seek to replace the domestic trademark registration rather it provides a means to secure protection internationally that saves valuable time and money in the form of office fees, travel expenditure, and expenditure upon lawyers and translators.

c. *Paris Convention*: The Paris Convention aimed at standardizing transnational practices relating to trademarks. Under Article 2, nationals of member states enjoy the protection of trademarks in other member states as provided by the respective national laws. It also prescribes a six-month priority period.¹⁸ Article 6*bis* provides specifically that the marks considered well-known are entitled to protection ensured by the Convention. It also leaves many things at the discretion of the member states, like precise definition of protection from unfair competition not given¹⁹, conditions of filing and registration,²⁰ conditions under which a collective mark shall be protected.²¹

¹⁵ Article 16 Para. (1) and (2) TRIPS Agreement

¹⁶ Between 1986 and 1989, WIPO convened meetings of government experts to develop an international trademark registration system- later to become the Madrid Protocol- that could gain a wider acceptance than the agreement. see Epstein on Intellectual Property , at 15-41

¹⁷ Available on <http://www.wipo.int/madrid/en>

¹⁸ Article 4

¹⁹ *Id.* at Article 10*bis*

²⁰ *Id.* at Article 6

²¹ *Id.* At Article 7*bis*(2)

1.5 Nature of Trademark

Trademark is a form of industrial property and is not designed to protect innovation and creativity. Rather its primary aim is to ensure integrity in the market place by prohibiting use of confusingly similar marks in manner that is likely to cause confusion as to the source of the goods. While doing so, it reduces consumer confusion and also ensures the incentives for the companies to invest in activities that improve brand reputation.²² Simply speaking, the protection of trademark is a law's recognition of the psychological function of symbols.²³ Consumers make mental associations between the trademarks and the goods and services they pay for.

In many ways trademarks are different from their intellectual property contemporaries, like patent, copyright and designs. Patent and copyright protection promotes unconventional through the substantive standards of non-obviousness and originality. Trademark protection law, encourage people to create conventions-mental association that words and symbols identify the source of the goods and services. Its protection is based on the basis of its use in trade, it is not based on creation as copyright or invention as with patents.

1.6 Function of Trademarks

This part would be analyzing the functions of the trademark from the perspective of a consumer, trademark proprietor and the infringer. On the basis of that discussion the chief functions of trademarks would be easily understandable.

Traditional trademark protection prohibits a competitor from using a confusingly similar mark in relation to his goods and services that is likely to confuse the consumer about the source of goods or services. It will harm consumers who would be confused into believing that they were getting a product from the desired source which in fact are from a different source, and would also consequently cause harm to the trademark owner by diverting the sales to the competitor. Consider the company HP maker of computers; if someone let's say company X starts selling computers with the same trademark over their computers, some consumers would end up

²² R&D would be more as it enhances companies reputation. Also see, Peter S. Menell & Suzanne Scotchmer, Intellectual Property, in Handbook of Law and Economics, Ed. A. Mitchell Polinsky & Steven Shavell, 2007.

²³ See *Mishawaka Rubber Woolen Co. v. S.S. Kresge Co.*, 316 U.S. 203, 205(1942)

purchasing the goods of company X, thinking they were buying HP computers. They might also be disappointed if they found that the computer they had purchased is of an inferior quality. So not only the HP would be losing its sale but if the product is inferior their reputation would be at stake. At the same time company X would be profiting out of the sale which it might otherwise not have made. This kind of scenario has consequences for three persons, let's examine each individually.

a. The Consumer. Let's imagine a world without trademarks. Each purchase a consumer would make is likely to begin with the research on his part to determine the contents, quality and the source of the product. These research costs would be significant, certainly in the aggregate of the purchases made by an individual consumer. With trademarks those costs would be minimized. For example, if a consumer decides to purchase toothpaste brand A, he can reliably find that in the supermarket without doing any further research. All he would be required to do is remember the trademark. If it was possible that a competitor can sell toothpaste with the same brand name or a confusingly similar brand name, the consumer would be required to be more cautious in order to get what he wanted to purchase. However, trademark law also prohibits the use of confusingly similar mark, hence that caution would not be required. Protecting consumers from confusion and reducing consumer research costs is one of the underlying goals of this law.

b. The trademark owner, when some competitors uses a confusingly similar mark. One, they will suffer a loss in sales. Because there is a competitor passing off his product in the trademark of the trademark owner. The second harm the trademark may suffer is reputational harm, when the product is of an inferior quality. The consumers would have a distorted belief that the trademark owner has reduced the quality of his goods, therefore, they would refrain from making future purchases. This would lead to a situation where the trademark owner would have no incentive to invest in the quality. Even initial investments will not be done, because those can be easily undermined by a competitor. It can be said thus, that the trademark law not only provides an incentive for producers to invest in development and consistently use trademark to identify their goods and services. It will also encourage them to invest in goodwill that is associated with those trademarks by providing consistent and high-quality goods and services.

c. The competitor earning through passing off. Here his profits are generated by free riding upon the goodwill and investments of the trademark owner. Competition

is desirable but also honest and fair dealing, including identifying one's goods and services in a way that does not confuse consumers.

So, the chief functions of the trademark can be identified as following:²⁴

a. To identify the actual physical origin of the goods or services

The trademark serves as an identifier of the origin of goods or services. For example if a consumer comes across a Maruti Suzuki automobile, he knows that it has been designed and manufactured by a particular company and by no one else. The consumer can depend upon the trademark that it has not been made by Honda, Tata or Hyundai. It serves as a seal of authenticity.

b. To guarantee the identity of the origin of goods and services:

The essential function of the trademark is to guarantee the identity of the origin of the goods or service.²⁵ It conveys the notion of one source, that the origin would be identical in respect of all goods bearing the same mark. For example a company can be owner of several brands like TOYOTA would be having Altis, Corolla, Fortuner, etc. but the word TOYOTA along with its logo is a guarantee of identity of one source, one-ness.

c. To guarantee the quality of goods and services:

The consumer wants an assurance about the quality of the goods or services which is offered by the trademark owner. The true functions of the trademark are, then, to identify a product as satisfactory and to simulate further purchases by the consuming public.²⁶ For example, trademarks like SONY, SAMSUNG, APPLE besides being a source indicator are also a guarantee of the quality of the product.

d. To enable the consumer to make a lifestyle statement:

Once a trademark bearing product is purchased by the consumer, it also reflects his lifestyle. For example if one is wearing a NIKE then he is also conveying a simultaneous message that this is the person I am. This also partially explains why counterfeiting has become a major problem in recent times.

²⁴ For a detailed discussion refer to Jeremy Philips, **Trademark Law: A Practical Anatomy**, Oxford University Press, 1st Ed., 2003.

²⁵ See *Arsenal Football Club Plc. v. Matthew Reed*, [2003] ETMR 227 (ECJ).

²⁶ See Frank Schechter, "The Rational Basis of Trademark Protection", (1927) 40 Harv LR813.

- e. *Trademarks serves as an important advertising and marketing tool.*

1.7 Meaning of Trademark

Simply speaking, a trademark indicates the origin of the source of a good or service. For that purpose it must have the capacity to distinguish the goods and services of one from those of another, and must be capable of being perceived by a consumer.

The Trademarks Act, 1999 defines Trademark as following:

"Section 2 (zb) "Trademark" means a markcapable of being represented graphically and which is capableof distinguishing the goods and services of one from those of others and may include shape of goods, their packaging and combination of colours, and-

- (i) In relation to Chapter XII (other than Section 107), a registered trademark or a mark used 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, as the case may be, and some person having the right as proprietor to use the mark; and
- (ii) In relation to other provisions of the Act, a mark used or proposed to be used in relation to goods or services for the purposes of indicating or so to indicate a connection in the course of trade between the goods or services, as the case may be, 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, and includes a certification trademark or collective mark." *(italics emphasized)*

As the above mentioned statutory definition starts with the word means that implies that it is an exhaustive definition. It has three components:

- i. It must be a mark;
- ii. It must be capable of graphic representation; and
- iii. It must be capable of distinguishing the goods or services of one from those of others.



Image 1. Illustration of Apple's Inc. logo as a trademark.

The definition of marks has been given under Section 2 (m) so as to "include a device, brand, heading, label, ticket, name²⁷, signature, word, letter, numeral, shape of goods, packaging²⁸ or combination of colours or any combination thereof."

The definition of mark is not exhaustive rather it is illustrative. The starting word 'include' suggests that there can be marks apart from what has been provided under Section 2 (m) provided they can serve as trademarks that is satisfying the requirements of being capable of represented graphically and being capable of distinguishing goods or service of one from those of another. For example, sound marks, smell marks, motion marks, gesture marks, 3 d marks, etc.

Service marks

As far as service marks are concerned the 1999 Act does not make any distinction between trademark for goods and service marks. It therefore means the same thing as what has been given under the definition of trademark under Section 2 (zb). But it does defines the word services under Section 2(z) as to mean service of any description which is made available to potential users and includes the provision of services in connection with business of any industrial or commercial matters such as banking, communication, education, financing, insurance, chit funds, real estate,

²⁷ As per Section 2 ss. (1) cl. (o) name includes any abbreviation of a name id at p. 11

²⁸ As per Section 2 ss. (1) cl. (q) package includes any case, box, container, covering, folder, receptacle, vessel, casket, bottle, wrapper, label, band, ticket, reel, frame, capsule, lid, stopper and cork. Id at p. 11

transport, storage, material treatment, processing, supply of electrical or other energy, boarding, entertainment, amusement, construction, repair, conveying of news or information and advertising.

Collective and certification trademarks:

So far as collective marks and certification marks are concerned as per the Act, unless the context otherwise requires, any reference to trademark shall include reference to them.²⁹ though they had been defined separately, certification trademark under Section 2 (e) of the 1999, Act 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 trademark, of that person. For example wool mark.



Image 2: Illustration of a certification trademark.

Collective mark has been defined under Section 2 ss.(1) cl.(g) of the 1999, Act as to mean a trademark distinguishing the goods and services of members of an association of persons not being a partnership within the meaning of the Indian Partnership Act, 1932 (9 of 1932) which is the proprietor of the mark from those of others.

²⁹ As per section 2 ss. (2) Cl. (a) id. At p. 13



Image 3. Illustration of a collective trademark, CA logo of the Institute of Chartered Accountants for India.

Objectives of Trademarks: The overall objective of trademark law is to prevent unfair competition by protecting the use of a symbol, word, logo, slogan, design, domain name, etc. that uniquely distinguishes the goods or services of a firm. This body of common-law principles ultimately protects consumers by prohibiting companies from using trademarks substantially similar to those of other companies that may have more "brand equity" and customer loyalty. Trademark law is intended to avoid consumer confusion and preventing companies from diluting the marks of other firms. Dilution occurs when a similar mark adversely affects the reputation of a distinctive trademark regardless if it leads to consumer confusion or not.

Given the increased importance of branding and the tangible economic value of the brand (brand equity) in today's experience economy, trademark law is more important than ever before. As consumers become loyal to a particular brand and make purchasing decisions based on their ability to identify a product or service by use of a logo, slogan, etc (i.e. trademark), these marks serve as a point of differentiation and competitive advantage. Consequently, trademark law is important

to enable the trademark proprietor to develop goodwill for the product or service and prevent other parties from exploiting the brand.³⁰

The U.S. Supreme Court said it best. The basic objectives of trademark law are as follows:

Trademark law, by preventing others from copying a source-identifying mark, 'reduce[s] the customer's cost's of shopping and making purchasing decisions,' for it quickly and easily assures a potential customer that the this item -- the item with this mark -- is made by the same producer as other similarly marked items that he or she liked (or disliked) in the past. At the same time, the law helps assure a producer that it (and not an imitating competitor) will reap the financial, reputation-related rewards associated with a desirable product." *Qualitex Co. v. Jacobson Products Co*, U.S. Supreme Court, 1995³¹

1.8 Conclusion

In the conclusion it can be said that the concept of trademarks is very central in the today's economy. They are not only essential for identifying to the consumers the goods and services where they have come from that is the source but also aids in enhancing the competition in the market. Their protection is therefore required by an instrument of law. The Trademarks Act, 1999 of India provides for the same. It lays down a registration process for trademarks in favor of proprietors. At the international level there are several treaties that regulate and provide for the same, like Madrid Treaty and Madrid Protocol which is a filing treaty, the TRIPS Agreement which is a harmonization treaty, the Paris Convention which is a protection treaty. Trademark protection law, encourage people to create conventional association that words and symbols identify the source of the goods and services. Its protection is based on the basis of its use in trade, it is not based on creation as copyright or invention as with patents. The Functions of trademarks to identify the actual physical origin of the goods or services, to guarantee the identity of the origin of goods and services, to guarantee the quality of goods and services, to enable the consumer to make a lifestyle statement, to serve as an important tool for

³⁰ <http://www.mateoaboy.com>

³¹ http://www.copyrightlaw.com/new_articles/trademark.html

marketing and advertisements. Trademark has been defined under Section 2 (1)(zb) of the Trademarks Act, 1999. It has three components, viz., It must be a mark, it must be capable of graphic representation; and it must be capable of distinguishing the goods or services of one from those of others. The Act also provides for the meaning of mark and service. It further separately provides for certification trademark and collective mark.

1.9 Summary and Self-Assessment Test

Summary

- Trademarks are not new they had been in existence since ancient times.
- They serve as a guide for the consumers as an indicator of desired source. The mark Coca-Cola would tell the consumers that the product has originated from Coca-Cola Inc.
- They also serve as powerful marketing and advertising tools.
- The TRIPS agreement has harmonized the intellectual property law and has created a level playing field in the global economy.
- TRIPS has set basic minimum for the member states that they had to comply with in their national laws.
- The need to curb counterfeiting activity was one of the reasons for strong and well defined trademark law.
- The act of counterfeiting is first of all imitation of the product. It is not only identical but also gives the impression of being a genuine product coming from a genuine source. So it copies not only the product but also the trademark.
- Trademark unlike patents and copyright are not primarily for dissemination of information, or invention of new products or processes, rather they are for establishing a mental association between the consumers and the source.
- The justification for granting a monopoly over a trademark are two, private and public.
- The private justifications is about a natural right upon reputation.
- The public justification involves two aspects, firstly, interest of the consumers, that is, they can purchase without conducting unnecessary research and wastage of

money. It furthers consumer interest by ensuring that the companies would have an incentive to maintain the same quality of the products and services for which they have a reputation. Secondly, it acts as an aid to the competition by allowing competing products to remain identifiable in the market.

- The trademarks in India are regulated and governed by the Trademarks Act of 1999.
- The international agreements and treaties governing trademarks can be classified into three categories: filing, protection and harmonization.
- Filing treaties, such as the Madrid Agreement and its related Madrid Protocol, which enables trademark owners to file marks in many countries from one trademark office;
- Protection treaties, such as the Paris Convention, which enable trademark owners to protect their mark internationally and enforce their rights under them; and
- Harmonization treaties, such as the TRIPS Agreement, which attempt to standardize procedures and regulations for the filing of marks worldwide.
- Trademark is a form of industrial property and is not designed to protect innovation and creativity. Rather its primary aim is to ensure integrity in the market place by prohibiting use of confusingly similar marks in manner that is likely to cause confusion as to the source of the goods.
- Trademark protection law, encourage people to create conventions- mental association that words and symbols identify the source of the goods and services. Its protection is based on the basis of its use in trade, it is not based on creation as copyright or invention as with patents.
- Functions of trademarks:
 1. To identify the actual physical origin of the goods or services.
 2. To guarantee the identity of the origin of goods and services.
 3. To guarantee the quality of goods and services.
 4. To enable the consumer to make a lifestyle statement.
 5. To serve as an important tool for marketing and advertisements.
- Trademark has been defined under Section 2 (1)(zb) of the Trademarks Act, 1999.
- It has three components:

1. It must be a mark;
2. It must be capable of graphic representation; and
3. It must be capable of distinguishing the goods or services of one from those of others.

- Section 2 (m) defines a mark as to “include 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(z) defines service as to mean service of any description which is made available to potential users and includes the provision of services in connection with business of any industrial or commercial matters such as banking, communication, education, financing, insurance, chit funds, real estate, transport, storage, material treatment, processing, supply of electrical or other energy, boarding, entertainment, amusement, construction, repair, conveying of news or information and advertising.

- Certification trademark under Section 2 (e) of the 1999, Act 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 trademark, of that person.

- Collective mark has been defined under Section 2 ss.(1) cl.(g) of the 1999, Act as to mean a trademark distinguishing the goods and services of members of an association of persons not being a partnership within the meaning of the Indian Partnership Act, 1932 (9 of 1932) which is the proprietor of the mark from those of others.

- For practical purposes there is no difference between a trademark and a service mark.

Self-assessment questions:

1. What are the justifications for granting a right over a trademark?
2. How is a trademark differ from other form of intellectual property rights like patents and copyright?

3. Discuss the primary functions of a trademark.
4. Elaborate upon the major features of international treaties relating to trademark law?
5. What do you understand by the following terms, give examples:
 - a. Trademark.
 - b. Mark.
 - c. Certification mark.
 - d. Services.
 - e. Collective marks.
6. Can the following be called to be trademark:
Name
Smell
Sound
Signature
Label
Logo
Color
Slogans
Ticket
If yes, search for illustrations for the same.

1.10 Suggested Readings

<http://www.indianpatents.org.in/faqtrade.htm> (frequently asked questions on trademarks)

<http://www.wipo.int/portal/en/index.html>

http://www.wipo.int/treaties/en/text.jsp?file_id=283484 (text of Madrid Protocol)

http://www.wipo.int/treaties/en/text.jsp?file_id=283530 (text of Madrid Treaty)

http://www.wipo.int/treaties/en/text.jsp?file_id=288514 (text of Paris Convention)

<https://www.wto.org/>

https://www.wto.org/english/docs_e/legal_e/legal_e.htm#TRIPs (text of TRIPS Agreement)

Avtar Singh, Intellectual Property Rights, Eastern Book Company.

P. Narayanan, Trademarks and Passing Off, Eastern Law House.

Unit 2

The Law Relating to Trademarks: The Trademarks Act, 1999 (Applicability, Objectives and Scope)

Objectives

The objectives of the current unit is to understand the legislative history, Applicability, objectives and scope behind the enactment of the Trademarks Act, 1999, and to understand the statement of objects and reasons for the Act. The further objective is to demonstrate a hierarchical representation of the Act followed by a brief bird eyes view of the scheme of the Act highlighting key provisions spread in different chapters.

Structure

- 2.1 History of Trademarks Act, 1999.
- 2.2 Reasons for the Trademarks Act, 1999.
- 2.3 Purposes sought to be achieved by the Trademarks Act, 1999.
- 2.4 Hierarchical representation of the Trademark Law in India.
- 2.5 Chapter I: Preliminary
- 2.6 Chapter II: The Register and Conditions for Registration.
- 2.7 Chapter III: Procedure for and Duration of Registration.
- 2.8 Chapter IV: Effect of Registration.
- 2.9 Chapter IV-A: Special Provisions Relating to Protection of Trademarks through International Registration under the Madrid Protocol.
- 2.10 Chapter V: Assignment and Transmission.
- 2.11 Chapter VI: Use of Trademark and Registered Users.
- 2.12 Chapter VII: Rectification and Correction of Register.

- 2.13 Chapter VIII: Collective Marks.
- 2.14 Chapter IX: Certification Trademarks
- 2.15 Chapter XI: Appellate Board
- 2.16 Chapter XII: Offences, Penalties and Procedure
- 2.17 Chapter XIII: Miscellaneous
- 2.18 Conclusion
- 2.19 Self-assessment
- 2.20 Further readings.

2.1 History of Trademarks Act, 1999

The Indian law to grant, regulate and protect intellectual property has been now in compliance with the TRIPS Agreement of the World Trade Organization (WTO). No specific legislation existed on trademark before 1940. However, remedies were available for the violation of trademark under the Indian Penal Code, 1860 and Specific Relief Act, 1877. The Trademarks Act, 1940 was the first specific legislation over the subject matter. It was replaced by the Trade and Merchandise Marks Act of 1958. The 1958 Act has now been repealed by the Trademarks Act, 1999 and the Rules made there-under. It is the governing law on trademarks in India.

2.2 Reasons for the Trademarks Act, 1999

The Trademarks Act, 1999 was to amend and consolidate the law relating to Trademarks in India, to provide for registration and better protection of trademarks for goods and services and for the prevention of the use of fraudulent marks. The Trade and Merchandise Marks Act was passed in the year 1958 and was amended several times. The need for a comprehensive legislation was felt for the following reasons:

- a. Developments in trading and commercial practices;
- b. Increasing globalization of trade and industry;
- c. Need to encourage investment flows;

- d. Need to encourage transfer of technology;
- e. Need to simplify and harmonize trademark management systems;
- f. To give effect to important judicial decisions;
- g. To give effect to India's obligations under the TRIPS Agreement; and
- h. In view of the excessive amendments necessitated in the Trade and Merchandise Marks Act, 1958, it was fit to repeal and re-enact the said Act incorporating required changes.

A need was felt so and therefore it was deemed necessary to repeal and amend the 1958 Act with the new act, that is, the Trademarks Act, 1999. The Trademarks Bill was passed in both the Houses of Parliament and received the assent of the President on 30th December, 1999. It came on the statute book as THE TRADEMARKS ACT, 1999 (47 of 1999). It came into force on fifteenth of September, 2003 vide S.O. 1048(E) published in the Gazette of India, Extra., Pt. II, Sec. 3 (ii), dated 15th September, 2003.

2.3 Purposes sought to be achieved by the Trademarks Act, 1999

The new Act was enacted to achieve certain purposes, *inter alia* the following³²:

- a. Providing for the registration of trademark for services, in addition to goods³³;
- b. Registration of trademarks, which are imitation of well-known trademarks not to be permitted, besides enlarging the absolute and relative grounds for the refusal of registration mentioned in. Consequently, the provisions for defensive registration of trademark was proposed to be omitted;
- c. Amplification of factors to be considered for defining a well-known trademark;

³² Refer to the Statement of Objects and Reasons, Intellectual Property Laws, Universal Book Publishing Co, 2013 at p.7.

³³ By virtue of the definition of Trademark under Section 2 (zb) "*trademark*" means a mark capable of being represented graphically and which is capable of distinguishing the goods and services of one person from those of another and may include shape of goods, their packaging and combination of colours.... (italics emphasized)

- d. Doing away with the system of maintaining registration of trademarks in Part A and Part B with different legal rights, and to provide only a single register with simplified procedure for registration and with equal rights;³⁴
- e. Simplifying the procedure for registration of registered user and enlarging the scope of permitted use;
- f. Provision for registration of collective marks owned by associations etc.;
- g. Providing an Appellate Board for speedy disposal of appeals and rectification applications which at present lie before High Courts;
- h. Transferring the final authority relating to registration of certification trademarks to the Registrar instead of the Central Government;
- i. Providing enhanced punishment for the offences relating to trademarks on par with the present Copyright Act, 1957, to prevent the sale of spurious goods;
- j. Prohibiting use of someone else's trademarks as part of corporate names, or name of business concern;
- k. Extension of application of convention country to include countries which are member of Groups or union of countries and Intergovernmental organizations;
- l. Amending the definition of Trademarks;
- m. Provision for filing a single application for registration in more than one class;
- n. Increasing the period of registration and renewal from seven to ten years;
- o. Making trademark offence cognizable;
- p. Enlarging the jurisdiction of the courts to bring the law in this respect on par with the Copyright Act, 1957; and
- q. Amplifying the powers of the court to grant *ex parte* injunctions in certain cases.

2.4 Hierarchical representation of the Trademark Law in India

³⁴ See Section 6 Sub-Section 7, The Register of Trademarks both Part A and Part B, existing at the Commencement of this Act, shall be incorporated in and form part of the register under this Act.
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The Trademarks Act, 1999; The Scheme is as under:

The Trademarks Rules, 2002 are with following schedules

- The First Schedule: Fees
- The Second Schedule: Forms
- The Third Schedule: Forms to be used by the Registrar
- The Fourth Schedule: Classification of goods and services- Name of the classes
- The Fifth Schedule: List of items of textile goods referred to in Rule 145
- The Sixth Schedule: Scale of costs allowable in Rule 114 proceedings before the Registrar.

Birds eyes view of the scheme of the Act

The Act is divided into 13 chapters. A brief introduction to them:

2.5 Chapter I: Preliminary

It covers the issues pertaining to the title extent and commencement. As to the extent by virtue of Section 1 sub-section (2) the Act extends to the whole of India. The second section of this chapter is the definition and interpretation clause. This section defines the terms that have been used in the Act, including the definition of trademark itself wherein it lays down the requirements of distinctiveness and capability of graphic representation.

2.6 Chapter II: The Register and Conditions for Registration

This chapter talks about appointment of Registrar known as the Controller General of Patents, Designs and Trademarks by the Central Government. The Central Government may appoint such other officers under the supervision of the Registrar for the purpose of carrying out the functions under the Act. The Registrar would have the power to withdraw or transfer a case pending before an officer so appointed

to himself or to another officer. The Act in its Section 5 provides for Trademark Registry and Offices by the Central Government. The Register, a record of trademark shall be kept at the trademark registry containing the description of the mark, description of the owner and such conditions and limitations as applicable to the grant. It shall be lawful for the registrar to keep the information in electronic form. The register is kept under the control and management of the Registrar. The Registrar shall classify the goods and services in accordance with the international classification of goods and services for the purpose of registration of trademarks. The decision of registrar as to the category of goods and services shall be final. He may publish an alphabetical index of goods and services. Section 9 of the Act provides for absolute grounds for refusal of registration. They refer to the reasons inherent in the trademark itself which would render it unregistrable. The grounds are that it is devoid of distinctiveness or the mark is one which may serve in trade to designate the kind, quality, quantity, intended purposes, values, geographic origin or the time of production or rendering of the goods and service. The mark which has become customary in the current language or in the bona fide and established practices of the trade. Such marks are not to be registered provided that they had acquired a distinctive character as a result of the use made of it or is a well-known trademark. Furthermore, a mark shall not be registered if it is of such a nature as to deceive the public or cause confusion, or contains or comprises of any manner likely to hurt the religious susceptibilities of any class or section of the citizens, or it comprises or contains scandalous or obscene matter, or its use is prohibited under the Emblems and Names (Prevention of Improper Use) Act, 1950. A mark shall not be registered as trademark if it consists exclusively of the shape of goods which results from the nature of goods themselves or the shape is necessary to obtain a technical results or the shape which gives a substantial value to the goods. Section 10 speaks of limitation as to color of the mark, if there is no limitation it shall be deemed to be registered for all colors. Section 11 provides for the relative ground of refusal of registration on ground of it being in violation of an earlier existing right. The mark claimed to be registered if is identical/ similar to an earlier mark in relation to

identical/similar goods and services and is likely to cause confusion, including likelihood of association shall not be registered. A mark which is identical/similar to an earlier well-known mark but sought to be registered in relation to a different goods or services would be refused registration if its use would without due cause would take unfair advantage of or be detrimental to the distinctive character or repute of the earlier mark. Furthermore, a mark shall not be registered if it is liable to be prevented by virtue of any law or by virtue of the law of copyright. The section further states grounds for determination of whether the earlier mark was well-known or not. The section 12 provides for registration in case of honest concurrent use or other special circumstances by the Controller subject to such conditions and limitations as the Registrar may think fit. Further section 13 prohibits registration of names of chemical elements and international non-proprietary names. Section 14 provides that if a mark sought to be registered falsely suggests a connection with a person or a dead person the Registrar may require a consent letter on behalf of the applicant. He may refuse to proceed in absence of consent.

2.7 Chapter III: Procedure for and Duration of Registration

Under Section 18 an application for registration has to be made in prescribed form and prescribed fee in writing before the Registrar. Such application shall be filed in the office of the trademark registry within whose territorial limits the principal place of business is. And if the applicant's principal place of business is not in India, the place mentioned in the address of service in India as disclosed in application shall apply. Subject to the provisions of this Act, the Registrar may refuse the application or may accept it absolutely or subject to such amendments, modifications, conditions or limitations, if any, as he may think fit. In case of refusal or conditional acceptance the Registrar has to record in writing the reasons for the same. Post registration withdrawal of acceptance can also happen on grounds of that the application has been accepted in error or that the registration should not have happened or shall be made subject to different conditions and limitations as previously imposed. An opportunity of hearing has to be given to the applicant in such a case under Section

19. Post acceptance of application, under Section 20 an advertisement of the same has to be done by the Registrar for the purpose of public notification. The advertisement can lead to opposition proceedings. Any person under Section 21 oppose it within four months of the date of advertisement by giving a notice of the same in writing along with prescribed fee to the Registrar. The Registrar shall serve a copy of the same to the applicant within two months of the notice of the receipt of the same. The applicant at that time is required to counter claim of the grounds on which he relies. Failure to do the same would amount to abandonment of the application. If replied the notice of the same has to be send to the opposing party. The Registrar upon hearing the parties and in view of the documents filed shall decide the matter. Corrections and amendments are permissible to remove errors under Section 22. After the application has been accepted subject to Section 19 without any opposition, the Registrar (except upon the directions of the Central Government) register the same within eighteen months. A certificate of the same is issued to the applicant. If the registration is not completed within a year from the date of application by default on the part of the applicant it shall be deemed to have been abandoned. The duration of a registered trademark is ten years subject to renewals after payment of prescribed fee. Failure to renew can lead to removal of trademark from the register.

2.8 Chapter IV: Effects of Registration

Once a trademark has been registered a suit for infringement can be brought. No suit for infringement can be brought in case of an unregistered trademark under Section 27. However, it shall not affect the right to seek the remedy for passing off under the common law. Section 28 confers upon the proprietor an exclusive right to use the trademark in relation to goods and services in respect of which it has been registered and to obtain relief in respect of infringement of the trademark. The right to use is subject to conditions and limitations imposed. Section 29 speaks about infringement in circumstances wherein there is a likelihood of confusion, including likelihood of association among the consuming public. It includes circumstances where a well-

known mark has been used in relation to different goods and services wherein without any due cause takes unfair advantage of or is detrimental to the repute or the distinctive character of the registered trademark. It also cover advertisements which takes unfair advantage of and is contrary to honest business practices, or is detrimental to the distinctive character or is against the reputation of the trademark as an infringing act. Section 30 lays down the limits on the effect of registered trademark. Registration is considered to be a prima facie evidence of its validity. Section 32 saves trademarks that had been registered in breach of Section 9 (1) provided an evidence of secondary meaning is proved. In case of acquiescence on the part of the earlier owner for a continuous duration of five years he would not be entitled to oppose it at a later time.

2.9 Chapter IV-A: Special Provisions Relating to Protection of Trademarks through International Protection under the Madrid Protocol

The provisions of this chapter shall apply to international applications and international registrations under the Madrid Protocol. Such application are dealt with by the head office of the trademark registry. The effect of the registration in such cases is the same as if the mark has been registered in India. It gives an opportunity both to willing proprietor to apply outside India or a willing proprietor to apply in India for the registration of his trademark by way of a single application. This is cost and time effective.

2.10 Chapter V: Assignments and Transmissions

The person entered in the register as the registered proprietor shall have the power to assign the trademark. Such an assignment be assignable or transmissible with or without the goodwill of the business and in respect of all the goods and services for

which it has been registered or for some of such goods or services. An unregistered trademark can also be assigned or transmitted with or without the goodwill of the business. The result of such assignment or transmission shall not vest exclusive rights in more than one persons or when it creates exclusive rights in different parts of India. Certification trademarks under Section 43 are not assignable without the consent of the Registrar while associated trademarks are assignable or transmissible as a whole and not separately. Under Section 45 where a person becomes entitled by assignment or transmission, he shall apply in the prescribed manner to the Registrar to register his title.

2.11 Chapter VI: Use of Trademark and Registered Users

Section 46 enables a company not yet formed to apply for registration. Refusal cannot be done only on the ground that the application does not disclose about the use or purpose to use if it is satisfied that a company is about to be formed and registered under the Companies Act, 1956 and that the applicant intends to assign the trademark to it with a view to use the same in relation to those goods and services. Under Section 47 a registered trademark may be taken off the register in case it was registered without any bona fide intention to use and no bona fide use has happened for a continuous period of five years since registration. Section 48 provides for registered users who can stand in the same footing as the registered proprietor. However, a registered user has to register himself in the registry along with the statement of particulars. Registrar under Section 50 has a power to cancel or vary the registration of a registered user. The grounds can be non-use, or material particulars submitted were incorrect, change of circumstances etc. He can also call for information relating to the agreement in respect of registered users. Failure to furnish the same within one month the registered user ceases to be a registered user. A registered user unlike a permitted user can take proceedings against infringement. However, he does not have a right to assign or transmit the interests vested in him.

2.12 Chapter VII: Rectification and Correction of the Register

On an application made in the prescribed manner to the Appellate Board or to the Registrar by any person aggrieved, the tribunal may make an order to cancel or varying the registration of a trademark on the ground of a contravention, or failure to observe a condition entered in the register. Correction of the register can be done by the Registrar under Section 58 on the application made in the prescribed manner by the registered proprietor to correct any error in the name, address or description of the registered proprietor of a trademark, or any other entry relating to the trademark or to enter any change in the name, address or description of the person who is registered as proprietor of the trademark or to cancel any entry of a trademark on the register or to strike out any goods or class of goods or services from those in respect of which a trademark is registered. The alteration of registered trademark can also be done by the Registrar upon an application made by the registered proprietor in any manner that does not substantially affect the identity thereof. Furthermore, adoption of entries in register to amend or substitute the goods and services shall not be done if its effect is of an addition immediately before the amendment is to be made or of antedating the registration of a trademark, provided, that it can be done if it in the opinion of Registrar that a decision otherwise would entail undue complexity, and would not affect any substantial quality of goods or services and would not unreasonably prejudice the rights of any person.

2.13 Chapter VIII: Collective Marks

Collective marks has been defined under Section 2 (1)(g) as to mean a trademark distinguishing the goods and services of members of an association of persons not being a partnership within the meaning of the Partnership Act, 1932 which is the proprietor of the mark from those of others. A collective mark which is likely to deceive or cause confusion amongst public in particular if it is likely to be taken as something other than the collective mark shall be refused registration. Application are required to be accompanied by regulations governing use of collective trademark as to specify the persons authorized to use the mark, the conditions of membership of the association and, the conditions of the use of the mark, including any sanctions

against the misuse of the mark. These regulations are open to inspection and amendments can be made to it which will take effect only after the amended regulations are submitted to the Registrar. Section 68 provides for additional grounds for removal of registration of a collective trademark as if the use has been in a manner has caused it to become liable to mislead the public as a collective mark or that the proprietor has failed to observe, or secure the observance of the regulations governing the use of the mark.

2.14 Chapter IX: Certification Trademarks

Certification trademark has been defined under Section 2 (1)(e) as to mean a mark capable of distinguishing the goods and 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 goods and services in the name, as proprietor of the certification trademark, of that person. A certification trademark shall not be registered as such in the name of a person who carries on a trade in goods and services of the kind certified. The application for registration shall be accompanied along with regulations governing use of a certification trademark including conditions on which the proprietor can certify to authorize its use. The Registrar is required to take into account the competency of the applicant to certify, draft of regulations is satisfactory, and in all the circumstances the registration applied for would be in public advantage. Use in the course of a trade, by a third person of a mark which is identical or deceptively similar in relation to any goods or services for which it is registered, and the use is likely to be taken a use as a trademark would amount to an act of infringement.

2.15 Chapter X: Appellate Board

The appellate board known as the Intellectual Property Appellate Board is set up by the Central Government consisting of a Chairman, Vice-Chairman, and such other members as the Central Government shall deem fit. The jurisdiction, powers and authority of the board may be exercised by benches thereof which consist of one judicial member and one technical member. The Chairman is, or has been, a judge of the High Court or has, at least two years, held the office of the Vice Chairman. The Vice-Chairman has, for at least two years held the office of a judicial member or a technical member, or has been a member of the Indian Legal Services or has held a post in Grade I of that service or any higher post for at least five years. For a Judicial Member, has to be a member of the India Legal Services and has held the post in Grade I in that service for at least three years, or has, for at least ten years, held a civil judicial office. For a Technical Member, has to have for at least ten years exercised functions of a tribunal under this Act or under the Trade and Merchandise Act, 1958, or both, and has held a post not lower than the post of Joint Registrar for at least five years or has for at least ten years, been an advocate of a proven specialized experience in trademark law. The appointments are done by the President of India and in case of Chairman after consultation with the Chief Justice of India. They hold office for a period of five years or until he attains, in the case of Chairman and Vice-Chairman, the age of sixty-five years and in case of members, the age of Sixty-two years, whichever is earlier. An person aggrieved by an order of the Registrar under this Act, or the Rules made thereunder may prefer an appeal to the Appellate Board within three months from the date on which the order or decision sought to be applied against is communicated to such person preferring the appeal. The Appellate Board is not bound by the principles of Civil Procedure Code, 1908 but shall be guided by principles of natural justice and subject to the provisions of this Act and Rules made thereunder. The Appellate Board shall have the power to regulate its own procedure including the fixing of places and times of its hearing. While discharging its functions it shall have the same powers as vested in a civil court under the Code of Civil Procedure while trying a suit in respect of receiving

evidence, issuing commission for examination of witnesses, requisitioning any public record and any other matter which may be prescribed.

2.16 Chapter XII: Offences, Penalties and Procedure

Chapter XII of the act provides for the provisions relating to offences, penalties and procedure. It consists of 21 sections from Section 101 to Section 121. Section 101 gives us the meaning of applying trademarks and trade descriptions. Section 102 speaks about the circumstances which will tantamount to falsifying and falsely applying a trademark. Section 103 provides for the penalty of a maximum of three years along with fine for applying false trademarks, trade descriptions, etc. It provides that the accused is not guilty if he proves that the act in question was done without an intent to defraud. Section 104 provides for penalty for selling goods or providing services to which false trademark or trade description is applied to a maximum term of three years. However, it provides for the defences of reasonable belief and/ or that the accused has acted innocently. Section 105 mandates enhanced penalty in case of repeat offenders. Section 106 prescribes penalty for removing piece goods, etc., contrary to Section 81. Section 107 prescribes penalty for falsely representing by any words or symbols as being registered. Section 108 makes it an offence to improperly describe one's place of business as connected with the Trademark Office. Section 109 makes it an offence for falsifying the register. Section 110 provide for the circumstances wherein offences provided under Section 102- section105, would not be deemed to be an offence. The procedure for the forfeiture of the infringing goods has been provided in Section 111. Section 112 exempts a person employed in the ordinary course of employment under certain circumstances for an offence alleged under Section 103. Section 113 prescribes the procedure wherein the accused has pleaded invalidity of registration of the mark in question. Section 114 provides for the circumstances where the offence is alleged to have been committed by a company. It also provides for the circumstances wherein an officer of the company can be punished for the offence of the company. Section 115 lays down the process for cognizance of certain offences. It also provides for the

powers of police for search and seizure. Section 116 provides for evidence in case the goods had been imported in India. Section 117 provides for the costs. Section 118 provides the limitation period within which the prosecution should commence. Section 119 prescribes that an officer cannot be compelled to disclose the source from where he got the information about the commission of the offence. Section 120 provides punishment for an abettor. Section 121 provides that the central government may issue instructions about permissible variations to be observed by criminal courts.

2.17 Chapter XIII: Miscellaneous

Section 122 provides for protection of action taken in good faith. No suit or other legal proceedings shall be brought against any person in respect of anything which is in good faith done or is intended to be done in pursuance of this Act. Section 126 creates a presumption of implied warranty on sale of marked goods. It shall be deemed that when a mark has been applied to goods for sale or the contract of sale of goods or services that the mark is a genuine mark, and not falsely implied or the trade description is not false and had not been falsely applied. Unless the contrary is expressed in writing by or on behalf of the seller and delivered at the time of the sale of goods or providing of services on contract to and accepted by the buyer. The Registrar under Section 127 shall have the powers of a civil court for the purposes of receiving evidence, administering oaths, enforcing the attendance of witnesses, compelling the discovery and production of documents and issuing commissions for the examination of witnesses. The Registrar may, subject to any rules made in this behalf under Section 157, make such orders as to costs as he considers reasonable, and any such order shall be executable as a decree of a civil court. The Registrar can also on an application made in the prescribed manner, review his own decision. Under Section 134 suit for infringement or relating to any right in a registered trademark or passing off are instituted before the District Court having jurisdiction to try the suit. The District Court includes a District Court within the local limits of whose jurisdiction, at the time of the institution of the suit or other proceeding, the

person instituting the suit or proceeding, or, where there are more than one such persons any of them, actually and voluntarily resides or carries on business or personally works for gains. Section 135 provides for reliefs in the suits for infringement and passing off. It includes injunctions (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. The order of injunction can be for matters relating to discovery of documents, preserving of infringing article or other evidence which are related to the subject-matter of the suit, or, for 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. Notwithstanding anything contained in sub-section (1) of Section 35, the court shall not grant relief by way of damages (other than nominal damages) or on account of profits in any case where in a suit for infringement of a trademark, the infringement complained of is in relation to a certification trademark or a collective trademark or where in a suit for infringement the defendant satisfies the court that at the time he commenced to use the trademark complained of in the suit, he was unaware and had no reasonable ground for believing that the trademark of the plaintiff was on the register or that the plaintiff was a registered user using by way of permitted use and that when he became aware of the existence and nature of the plaintiff's right, he forthwith ceased to use the trademark in relation to goods and services in respect of which it was registered, or, where in a suit for passing off, the defendant satisfies the court that at the time he commenced to use the trademark complained of in the suit, he was unaware and had no reasonable ground for believing that the trademark of the plaintiff was in use and that when he became aware of the existence and nature of the plaintiff's trademark, he forthwith ceased to use the trademark complained of. Section 147 provides certain index's to be kept under the control and supervision of the registrar, namely, index of registered trademarks, an index of trademarks in respect of which an application for registration are pending or an index of the name of proprietors of the registered

trademarks and an index in the name of registered users. Section 148 provides for the documents open to public inspection include the register and any document upon which any entry in the Register is based, every notice of opposition to the registration of a trademark application for rectification before the Registrar, counter statements thereto, and any affidavit or document filed by the parties in any proceedings before the Registrar. All regulations deposited under Section 63 or Section 74, and all applications under Section 66 or Section under Section 66 or Section 77 for varying such regulation in relation to certification and collective trademarks. The index mentioned in Section 147 and lastly such other document as the Central Government may, by notification in the official gazette, specify. Any person may on an application to the Registrar and on payment of such fees as may be prescribed, obtain a certified copy of any entry in the register or any documents.

2.18 Conclusion

The trademark law of India has been provided under the Trademarks Act, 1999 and the Trademark rules, 2002. Chapter I the preliminary lays down territorial jurisdiction to be the whole of India. It also contains the definition and interpretation clause. Chapter II provides for the register and conditions for registration. Chapter III lays down the procedure for and duration of registration. It also provides for the relative and absolute grounds for the refusal of registration. Chapter IV talks about the effect of registration. Chapter IV-A provides special provisions relating to protection of trademarks through international registration under the Madrid Protocol. Chapter V provides for the assignment and transmission of a registered trademark. Chapter VI provide for the meaning of the use of trademark and provisions about the registered users. Chapter VII provides provisions and reasons and procedure for rectification and correction of register. Chapter VIII and Chapter IX makes special and elaborate provisions for collective marks and certification trademarks. Chapter XI provide for the appellate board which entertains appeal against the orders of the Registrar. Chapter XII provides detailed provisions for the offences and penalties and it also lays down procedure for the same like for example cognizance and provisions for

forfeiture and search. Chapter XIII provides for miscellaneous like protection of acts done in good faith, powers of the Registrar, relief in suit for infringement and passing off. The Act is supplemented by the Trademark rules, 2002 and under the Rules there are six schedules which provide for the fees, forms, forms to be used by the Registrar, classification of goods and services- name of the classes, list of items of textile goods referred to in Rule 145 and scale of costs allowable in Rule 114 proceedings before the Registrar.

2.19 self-assessment

1. Throw light upon the need for a trademark legislation in India.
 2. Point out the purposes and objects which the Trademarks Act, 1999 is sought to achieve.
 3. What is a trademark?
 4. Enumerate the absolute and relative grounds for refusal of registration.
 5. Determine the grounds for infringement under the Act.
 6. What is a certification trademark and a collective trademark?
 7. Write a note on offences and penalties provided under the Act.
 8. What reliefs can be sought under the Act in suit for infringement?
-

2.20 Suggested Readings

The text of the act is available on the Indian Patent office website, www.ipindia.nic.in in the website also contains frequently asked questions column as well which could be referred to have a bare understanding of the trademark law.

Avtar Singh, Intellectual Property Rights, Eastern Book Company.

P. Narayanan, Trademarks and Passing Off, Eastern Law House.

Unit-3

Kinds of Trademarks

The object of this Unit is to apprise Students about the

- How many kinds or types of trademarks are there
- How they are classified.

Structure

3.1 Introduction

3.2 Kinds or Types of trademarks

3.3 Summary

3.4 Self Assessment Test

3.5 Suggested Readings

3.1 Introduction

Since globalization intellectual property has received attention of everyone in the world. Trademarks as one of the form of industrial intellectual property has also attracted mind of industrial stalwarts. Trademarks existed in the ancient world also. Indian craftsmen used their signatures on their artistic creations, manufacturers and sold goods bearing their marks in the Mediterranean, likewise Romans used to mark their pottery. But the key role of the trademark come into light with a boom in industrialization. Competing products flooded the market with no apparent differences, but they did differ in quality, price and other attributes. Therefore, it became absolutely essential for the consumers to determine whether the goods they are purchasing have come from a particular desired source. They need a guide and therefore a name that was obviously the trademark. Similarly, trademarks are also powerful advertising and marketing tools. They are intangibles in the form of trademark are evolving as a very important valuable assets and in some cases even more than the physical assets of the company.

Quite understandably its significance in international trade was emphasized during the negotiations that led eventually to successful completion of the General

Agreement on Tariffs and Trade (GATT)³⁵ Uruguay round on the world trading system. Eventually, Trade Related Aspects of Intellectual Property Rights (TRIPS)³⁶ agreement was signed in Marrakesh in 1994. The primary purpose was the harmonization of the intellectual property rights law around the world by creating a level playing field coupled with the strong desire to eradicate ever-increasing international counterfeiting³⁷ and piracy³⁸. In the background of these developments, the various intellectual property rights have become well known, which includes trademarks and geographical indications.

The present unit would make you understand about various kinds of Trademarks.

3.2 Kinds of Trademarks

What does a trademark do?

A trademark provides **protection** to the owner of the mark by ensuring the **exclusive right** to use it to identify goods or services, or to authorize another to use it 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. Trademark protection is enforced by the courts, which in most systems have the authority to block trademark infringement.

In a larger sense, trademarks promote initiative and enterprise worldwide by rewarding the owners of trademarks with recognition and financial profit. Trademark 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.

³⁵ General Agreement on Tariffs and Trade- basically, the world free-trading system- which, as a structure and organization, was succeeded by the World Trade Organization (WTO) as a result of Uruguay Round of negotiations.

³⁶ The final text of the TRIPS Agreement was published in (1994) 33 ILM 1197 and in (1994) 25 IIC 209. The text of the agreement is also available on www.wto.org

³⁷Counterfeiting is first of all imitation of the product. It is not only identical but also gives the impression of being a genuine product coming from a genuine source. So it copies not only the product but also the trademark.

³⁸Piracy generally means copying of the product, and used mostly in copyright law, but trademark piracy is also a reality, wherein, it means the registration or use of a generally well known foreign trademark that is not registered in the country or is invalid due to non-use.

A **trademark classification** is a way the trademark examiners and applicants' trademark attorneys arrange documents, such as trademark and service mark applications, according to the description and scope of the types of goods or services to which the marks apply. The same trademark or service may be (or in many cases MUST be) classified in several classes, and some countries permit several classes to be registered in the same document. There are fees ordinarily associated with each classification, whether for initial application or later renewal.

An application filed for descriptions covering more than one class of goods or services may also be divided later (for a fee) into several different applications for synchronization with a phased roll-out of multiple classes of products. Because of international priority claim issues, classes may be deleted from an application but not added after the initial filing date. There are often disputes regarding the exact classification to apply in an application, partly because prior registrations may already occupy broad areas that overlap the products described by a later applicant. Many countries permit marks to cover an entire class without regard to specific descriptions of goods or services.

There is a general classification of marks into trademarks, service marks, certification marks and collective marks, each of which have slightly different rules. Within the broad categories of trademarks and service marks there are dozens of international classes defined for each category. See, e.g., International (Nice) Classification of Goods and Services.

For the purpose of obtaining a trademark clearance, it is advisable to search all related classifications of goods and services that could interact with or be supplied by a potentially confusing mark that already exists.

In the United States, the USPTO maintains the Acceptable Identification of Goods and Services Manual to assist applicants and examiners to distinguish between classifications properly and consistently. Specific descriptions must be submitted for each type of goods and services to be covered by the registration, and overly broad terms will be rejected, depending upon how "crowded" a classification may be.³⁹

³⁹ https://en.wikipedia.org/wiki/Trademark_classification

There are different kinds of Trademarks. Trademarks can be classified in many ways.

Different types of trademark

It depends upon What do you want to protect? A figure, a word, or perhaps both? Or maybe you want to protect a melody? It is important that you think through what exactly you want to characterize your company and your product. How can you be seen in the way that you want? We offer the following protection rights.

Word marks

A word mark consists of one or more words, for example, Japp or Marco Polo. It can also be a combination of numbers or letters, such as SVT or 3RT. A word mark is always registered in a standard typeface, which means that you also have to apply for a figurative mark if the trademark has a certain shape which you want to protect.

Figurative marks/logos

Figurative marks are trademarks which consist of a figure or a figure combined with a word. This also includes word marks designed with a particular font, either in black and white or in colour.

Colours

If you want to apply for a certain colour for your trademark, you must state that in the application. You must give a short description of the colour in words, for example, "the mark is produced in green and red". The protection is only valid for the colours stated in the application. If you want to apply for protection for more colours, a new application is needed for each colour.

Attach a reproduction

When you apply for a figurative mark, you need to attach a reproduction of the mark. If you are applying for protection in a certain colour, the reproduction must be in that colour. The reproduction that is submitted should be of such high quality that it can be reproduced. For example, it can be an original computer printout. Photocopies are usually unsuitable. You can get help from a photographer or a printing service to produce rasterized images. A suitable raster is 34 lines/centimetres.

Three-dimensional trademarks

When the actual product or its packaging has a particular shape, you can sometimes protect it as a three-dimensional trademark. For example, it can be a perfume or liqueur bottle. In order for protection to be approved, the shape must be significantly different from what is common in the market.

Sound trademarks

A sound can be a distinctive indicator and can also be protected. A sound trademark, therefore, is a sound or melody with a distinctive recognition effect. In order to be able to protect it, the sound must be reproducible graphically, for example, using notes. A well-known sound trademark is the Hemglass ice cream van jingle.

Collective, guarantee and control trademarks

Collective, guarantee and control trademarks are not a type of mark, rather they can consist of any type of trademark. A collective trademark can be owned by an association, a company or another society and can be used by the members of it. Guarantee or control trademarks can be registered by authorities, foundations, associations, companies and other societies which set requirements for or control goods and services. An example is the International Wool Society's sign which guarantees wool products. Their symbol can only be used for wool products which meet certain quality requirements.⁴⁰

Australian Government I. P. Department classify kinds of trademarks as under:

Sometimes called a brand, your trademark is your identity - the way you show your customers who you are. It might be:

- your corporate logo
- your name
- painted on the side of your truck
- on your signage
- packaging
- letterhead

⁴⁰ <https://www.prv.se/en/trademarks/applying-for-a-trademark/what-is-a-trademark/different-types-of-trademark/>

While many trademarks are words, logos or slogans, a trademark can be a:

- word
- phrase
- letter
- number
- sound
- scent
- shape
- logo
- picture
- aspect of packaging
- or combination of the above

This section provides information about the different types of trademarks you can apply for. However, these are not as common as a standard application.

- Certification trademarks - show that a trader's goods or services are certified as meeting particular standards.
- Series of trademarks - is made of two or more similar trademarks on the same application or registration.
- Sound trademarks - protect a sound in relation to good or services.
- Movement trademarks - protect a motion in relation to good or services.
- Shape trademarks - protect an overall shape in relation to good or services.
- Colour trademarks - protect a colour in relation to good or services.
- Scent trademarks - protect a scent in relation to good or services.
- Trademarks for wine - before choosing a trademark or designing a label under which wine will be imported, exported or sold on the Australian market, you need to be aware of certain requirements and regulations.
- Trademarks for plants - if you are registering a trademark application relating to plants, there are some issues you need to be aware of.⁴¹

⁴¹ <http://www.ipaustralia.gov.au/get-the-right-ip/trade-marks/types-of-trade-marks/>

Service Mark

A service mark is any word, name, symbol, device, or any combination, used, or intended to be used, in commerce, to identify and distinguish the services of one provider from services provided by others, and to indicate the source of the services.

Certification Mark

A certification mark is any word, name, symbol, device, or any combination, used, or intended to be used, in commerce with the owner's permission by someone other than its owner, to certify regional or other geographic origin, material, mode of manufacture, quality, accuracy, or other characteristics of someone's goods or services, or that the work or labor on the goods or services was performed by members of a union or other organization.

Collective Mark

A collective mark is a trademark or service mark used, or intended to be used, in commerce, by the members of a cooperative, an association, or other collective group or organization, including a mark which indicates membership in a union, an association, or other organization.

Types of trademarks in India are Classified as:

Types of trademarks⁴²

Service mark

Service mark is a trademark used to identify services rendered by an organization from other. Titles, characters names are registered as service marks.

Example: Airtel, Hutch, LIC and Star TV

Certification mark

Certification mark is used to identify the origin, material, quality and characteristics of goods and services rendered by a manufacturer/ dealer from his competitors. Such marks may also be used to assess the worth of labour in manufacturing goods or services.

Example: Woolmark, Agmark and ISI

Collective mark

It is used to distinguish members of a cooperative organization, an association and

⁴² <https://www.annauniv.edu/ipr/trademarktypes.php>

other collective groups. Such marks prove to be an effective conservation process when intellectual assets cannot be protected under trademark or geographical indication. However such marks are not popular. Almost all legal provision for trademarks are applicable for such marks. Registration procedure for ordinary marks in section 18 to 23 are supplemented by sections 63 and 64.

Example: Cooptex and Kadhi craft

Textile mark

Textile mark is a trademark used in textile goods

Example: Raymond

Trade name

A trademark or enterprise mark is used by a person or an entity to identify the business is referred as trade name. It is also known as trading style. Trade names and trademarks are synonymous

Well-known trademark

A well-known trademark uses goods or services rendered using the name of a mark, which has gained popularity among substantial segment of the public. When such mark is used by others to promote the products/ services totally different from that of the genuine products, then the target customers may be deceived due to overwhelming popularity of brand name. An ordinary mark may acquire the status of well-known marks over a period owing to quality of products and services rendered. The term well known mark has been used in India ever since 1999 Act. It is effective since 15 th September 2003.

Series trademark

Several trademarks may be registered as series as goods or services in the name of the proprietor. Such trademark should resemble in material and differ in respect of

1. Goods or services in relation to which they are used or proposed to be used.
2. Quality, quantity, price and the name of the places
3. Other matter of non distinctive character which does not substantially affect the identity of trademark.
4. Colour

Associate trademarks

There can be different proprietors using similar trademarks catering to prior rights and honest concurrent usage. However the validity of the trademarks is limited. The classes of goods and services may be different. A part of trademark may be

registered separately in addition to registration of trademark as a whole. This permits exclusive ownership of that portion of trademark. Only that portion which is registered separately must satisfy all conditions for trademark registration.

Shape trademark

Shape of trademark has facilitated promotion of products. Ever since the availability of graphic and other forms of animation technology a variety of shapes (logos, captions and labels). Such a graphical representation of the trademark capable of distinguishing the mark from the competing entities is called shape trademarks. It plays an important role in registration of the mark. The mark that has envisaged shape mark for the first time of shape used for goods.

Sound trademark

The signature tunes and familiar sounds used in broadcasting and has gained popularity is called sound trademark. Nearly 97000 distinct sounds are identified. Such sounds may be amplified so as to obtain desirable effect. Sound marks are presented graphically. It is subjected to discretion of the registrar.

What kinds of trademarks can be registered?

The possibilities are almost limitless. Trademarks may be one or a combination of words, letters, and numerals. They may consist of drawings, symbols, three-dimensional signs such as the shape and packaging of goods, audible signs such as music or vocal sounds, fragrances, or colors used as distinguishing features.

In addition to trademarks identifying the commercial source of goods or services, several other categories of marks exist. **Collective marks** are owned by an **association** whose members use them to identify themselves with a level of quality and other requirements set by the association. Examples of such associations would be those representing accountants, engineers, or architects. **Certification marks** are given for compliance with defined standards, but are not confined to any membership. They may be granted to anyone who can certify that the products involved **meet certain established standards**. The internationally accepted "ISO 9000" quality standards are an example of such widely-recognized certifications.

How is a trademark registered?

First, an application for registration of a trademark must be filed with the appropriate **national or regional trademark office**. The application must contain a clear

reproduction of the sign filed for registration, including any colors, forms, or three-dimensional features. The application must also contain a list of goods or services to which the sign would apply. The sign must fulfill certain conditions in order to be protected as a trademark or other type of mark. It must be distinctive, so that consumers can **distinguish** it as identifying a particular product, as well as from other trademarks identifying other products. It must neither mislead nor deceive customers or violate public order or morality.

Finally, the rights applied for cannot be the same as, or similar to, rights already granted to another trademark owner. This may be determined through **search** and **examination** by the national office, or by the **opposition of third parties** who claim similar or identical rights.

How extensive is trademark protection?

Almost all countries in the world register and protect trademarks. Each national or regional office maintains a **Register of Trademarks** which contains full application information on all registrations and renewals, facilitating examination, search, and potential opposition by third parties. The effects of such a registration are, however, limited to the country (or, in the case of a regional registration, countries) concerned. In order to avoid the need to register separately with each national or regional office, WIPO administers a **system of international registration of marks**. This system is governed by two treaties, the **Madrid Agreement Concerning the International Registration of Marks** and the **Madrid Protocol**. A person who has a link (through nationality, domicile or establishment) with a country party to one or both of these treaties may, on the basis of a registration or application with the trademark office of that country, obtain an international registration having effect in some or all of the other countries of the **Madrid Union**.⁴³

3.3 Summary

There are various kinds or types of Trademarks. Kinds of Trademarks can be classified in different ways. It has been classified by authorities in different ways with

⁴³ http://www.wipo.int/trademarks/en/about_trademarks.html

their observation and approaches. The unit has provided various kinds Trademarks which normally People, Companies or Corporations register in their name and use to protect their interests.

3.4 Self Assessment Test

1. How many kinds of Trademarks are there? Explain in detail.
2. Explain the classification for kinds of trademarks as made by the Australian government.
3. Write short notes on:
 - a. Word marks
 - b. Figurative marks/logos
 - c. Colours
 - d. Attach a reproduction
 - e. Three-dimensional trademarks
 - f. Sound trademarks
 - g. Collective, guarantee and control trademarks
 - h. Well-known trademark
 - i. Series trademark
 - j. Associate trademarks
 - k. Shape trademark
 - l. Sound trademark

3.5 Suggested Readings

1. Law of Trademarks, By: K C Kailasam
2. Intellectual Property: Trademarks, Copyrights, Patents and Trade Secrets Paperback – 2012 , by Bouchoux **(Author)**
3. <http://www.indianpatents.org.in/faqtrade.htm> (frequently asked questions on trademarks)
4. <http://www.wipo.int/portal/en/index.html>
5. http://www.wipo.int/treaties/en/text.jsp?file_id=283530 (text of Madrid Treaty)

6. <https://www.wto.org/>
7. https://www.wto.org/english/docs_e/legal_e/legal_e.htm#TRIPs (text of TRIPS Agreement)
8. Avtar Singh, Intellectual Property Rights, Eastern Book Company.
9. P. Narayanan, Trademarks and Passing Off, Eastern Law House.

UNIT 4

NEED OF PROTECTION OF TRADEMARKS

Objectives

The present unit aims at following objectives:

- To enable the reader to understand as to who benefits from the protection of trademarks.
- To enable the reader primary reasons for the protection of trademarks.

Structure

- 4.1 Introduction.
- 4.2 Beneficiary Parties
- 4.3 Specific Reasons for the Protection of Trademarks
- 4.4 Harms in Failure to Protect Trademarks
- 4.5 Conclusion
- 4.6 Self-assessment
- 4.7 Further readings

4.1 Introduction

Trademarks are considered to be the most important and valuable assets of a business. A distinctive trademark enables a business to build public goodwill and brand reputation in the goods or services the trademark is associated with. A trademark is a visual symbol in the form of a word, a device, or a label applied to articles of commerce with a view to indicate to the purchasing public that they are

the goods manufactured or otherwise dealt in by a particular person as distinguished from similar goods manufactured or dealt in by other persons.⁴⁴ Trademark were not in existence since always; nor did the trademark law. Something must have triggered their creation and, once they came about, other factors must have contributed for their continuous existence. These leads us to the question the need of trademarks in terms of the function they perform. Trademarks, commonly referred to as brand names, are a part of everyday life. The main purpose of a trademark is to enable the public to recognize the goods or services as belonging to a particular company or being a particular product or service. Trademarks are protected by law, in order to serve this source-indicating function and prevent the public from being confused about the source of the goods or services. By doing this, a trademark also helps to assure that the trademark owner, and not an imitative competitor, will reap the rewards of the goodwill associated with desirable product. By acting as indicators of source, trademarks and service marks promise a consistent level of quality, helping the consumer to decide whether to purchase desirable product or service again or to avoid an undesirable one.

4.2 Beneficiary Parties

Why TMs need Protection?

- Trademarks form the organization form the organization's intellectual property
- value of creativity & investment of intellectual process. „
- Passing off & unfair competition - people on the prowl to steal attractive popular TMs
- Exploitation of TM - leading to loss & dilution of brand„
- Erosion of goodwill. „ „
- Avoiding costs of litigation.
- ***Passing off***

⁴⁴ Trademarks and Passing Off, 6th Edition, P. Narayanan, Pg 1.

- TMA' 99- Section 27 -" No action for infringement of unregistered trademark ..."
- On the other hand a person whose goods and services have been passed off by another as his own is entitled to take action.
- Essence of passing off is not to grant an automatic monopoly in TM but to give legal automatic monopoly in TM but to give legal recognition to an existing position.
- Protection of goodwill from dishonest competition.
- Nobody has the right to represent his goods (or services) as that of somebody else.

Modes of passing off:„

- Direct false representation or adoption/imitation of existing TM of rival trader.
- Copying , colour scheme or get up of existing label.
- Imitating a design or shape of existing goods.
- Adopting/copying of rival traders name.
- Holding out his goods/services as having some association with the plaintiff.

The first question that comes to mind is as to who would be the parties interested in the protection of trademarks, and why? There can be three parties who can be so, the trademark owner, the consuming public and the competitors, that is, the other traders. Let's look into them one by one:

i. The trademark owner

When a registration mechanism for the trademark is in place the trademark owner had a legal backing in his effort to stop competitors from making copies of his products or a deceptive or confusing use of his trademark. if that is not there the consumers would be confused or deceived into making purchases on the basis of their misplaced trust in the legitimacy of that product. This helps the trademark owner in preserving the reputation of his goods and services and the goodwill that attracts the consumers into purchasing his goods or availing his services. It enables the trademark owner as will be seen in later units to:

- To prevent others from making unauthorised use of his trademark;

- To preserve the investments done to build the reputation and goodwill in the market;
- To collect damages for his loss as well as profits which the wrongdoer has earned;and
- To secure the destruction of infringing goods.

ii. The Consumers

Another party who benefits is the consumer. Trademark serves a function of setting the conventions that is, establishing a connection between the goods and / or services with the source in the minds of the consumers. Imagine a system where the trademark protection system is weak and or absent, the consumers market would be flooded by fake counterfeit products. In such a circumstance the consumer would have three choices run a risk of ending up with a fake product or be burdened with conducting a market research or do no purchases. All the positions would lead to anomalous results. For example, if he is burdened with research he has to make multiple purchases of the same products (including sub-standard products) and try out for himself or rely upon the advice of the store manager. That is a position no consumer would like to be in rather they would like a market where they are not confused or deceived as to the source of the goods and the services.

iii. The Competitor

Another party interested in the issue would be the competitor. A competitor can be an honest trader as well as a counterfeiter. The interest of an honest trader would be served by a robust, well-balanced trademark law regime wherein, generic words and descriptive words required by all in the business are not reserved in the favour of one person. Equally, they would also like to be protected in case of an honest concurrent bona-fide usage. On the other hand, a dishonest trader would profit out of the absence of the trademark law system because that would enable him to pass off his goods and services as belonging to someone else by causing confusion and deception

in the minds of the consumers. This would not only hurt the interest of the consumers but would also be contrary to the honest and ethical business practices. On the perusal of the parties interested it becomes clear that the trademarks perform a crucial functions for the trademark owners, the consumers and the honest practices. Though, it is against the interest of a dishonest trader but that is desirable in the interest of competition and consumers.

Need of Protection of trademarks:

⁴⁵Consumers' purchasing decisions are influenced by trademarks and the reputation such brands represent. It is important for business people to have an understanding of why trademarks are important assets and help grow their business. Here are the seven top reasons of why trademarks are important to your business.

1. Trademarks are an effective communication tool. In a single brand or logo, trademarks can convey intellectual and emotional attributes and messages about you, your company, and your company's reputation, products and services.

Your trademark doesn't need to be a word. Designs can be recognized regardless of language or alphabet. The Nike "Swoosh" design is recognized globally, regardless of whether the native language is Swahili, Chinese, Spanish, Russian, Arabic or English.

2. Trademarks make it easy for customers to find you. The marketplace is crowded and it's hard to distinguish your business from your competitors. Trademarks/brands are an efficient commercial communication tool to capture customer attention and make your business, products and services stand out.

Customers viewing a trademark immediately know who they are dealing with, the reputation of your business and are less likely to look for alternatives. Your brand could be the critical factor in driving a customer's purchase decision.

3. Trademarks allow businesses to effectively utilize the Internet and social media. Your brand is the first thing customers enter into a search engine or social media platform (Facebook, Twitter, Pinterest) when looking for your products and services.

Higher traffic on a website or social media platform translates into higher rankings, bringing even more traffic, more customers and more brand recognition.

4. Trademarks are a valuable asset. Trademarks can appreciate in value over time. The more your business reputation grows, the more valuable your brand will be.

Trademarks provide value beyond your core business. Trademarks can lead the way for expansion from one industry to another, such as from personal care to clothing or eye ware. If you desire it, your trademark can lead to the acquisition of your business by a larger corporation.

Trademarks are a property asset, similar to real estate, that can be bought, sold, licensed (like renting or leasing) or used as a security interest to secure a loan to grow your business.

⁴⁵ <http://www.entrepreneur.com/article/235887>

5. Trademarks can make hiring easier. Brands can inspire positive feelings in people's minds. As a result, employment opportunities are more attractive to candidates. Employee retention can be higher if employees have positive feelings for the brand and the products and services offered.

6. Trademarks are a bargain to obtain. The United States Patent and Trademark Office charges as little as \$275 to obtain trademark registration, only a few hundred dollars after five years and another few hundred dollars every ten years.

7. Trademarks never expire. Your trademark will not expire as long as you are using it in United States commerce. Some of the most recognized brands in the United States today have been around for over a hundred years. Mercedes was first registered in 1900. Pepsi-Cola was registered in 1896.

Brands are a critical asset. Do your due diligence before investing a lot of time and money in launching a new brand. Be sure the brand fits your company. Obtain a clearance search to make sure your new brand is available and doesn't infringe on anyone's prior rights.

Failing to research a brand before adopting can lead to denial of registration by the USPTO or, worse, a cease and desist letter from another brand owner. Spending the time and money up front to determine whether a brand is available will help avoid the very high costs of a dispute or litigation.

Keep in mind that the more you differentiate your brand from others in your industry, the easier it'll be to protect. Choose a name and logo that distinctly identify your business and will protect it from competitors.

India is under obligations of the TRIPS Agreement for protection of trademarks, inter alia, include protection to distinguishing marks, recognition of service marks, indefinite periodical renewal of registration, abolition of compulsory licensing of trademarks, etc. India, being a common law country, follows not only the codified law, but also common law principles, and as such provides for infringement as well as passing off actions against violation of trademarks. Section 135 of the Trademarks Act recognizes both infringement as well as passing off actions.⁴⁶

4.3 Specific Reasons for the Protection of Trademarks

The specific reasons, apart from general understanding discussed in the previous part would be discussed here, they are as following:

i. To identify the actual physical source of goods and services

Historically, the most argued reason for the protection of trademark is that they serve as a badge of origin of the goods and services and has long been respected. The idea

⁴⁶ <http://www.legalservicesindia.com/article/article/trademark-infringement-and-remedies-1740-1.html>

is simple, the moment one views, Colgate written on a toothpaste, he would instantly recognise that the product has its origin from Colgate and not Pepsodent, Dabur or Anchor. It serves as a seal of authenticity. It is a practical method for consumers to appreciate the quality of goods by viewing the mark rather than inspecting each product.⁴⁷ However, it is not necessary for a mark to convey exact information about the identity of the manufacturer of the producer or the supplier of the service. It is sufficient that the mark enables the members of the public concerned to distinguish the product or service that it designates from those which have a different trade origin and to conclude that all the products or services that it designates have been manufactured, marketed or supplied under the control of the owner of the mark and the owner is responsible for their quality.⁴⁸

ii. To guarantee the identity of the origin of the goods and services.

The another essential function of the trademark is to serve as a guarantee the identity of the origin of the marketed product to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the products and services of others which have another origin. For the trademark to be able to fulfil its essential role in the system of undistorted competition, it must offer a guarantee that all the goods or services bearing it have originated under the control of a single undertaking which is responsible for their quality.⁴⁹ This serves the relationship of the trademark owner to his competitors by enabling him to keep his channel of communication to the consumers free from interference by any other unauthorized uses of the same or similar trademarks. The relationships that the law seeks to protect is one of undistorted competition between two or more competitors. It differs from the origin point with regard to the fact that identity represents *one-ness*, that the origin be identical in respect of all goods bearing the same mark.

iii. To guarantee the quality of goods and services

⁴⁷ See Frederick Mostert, "Authenticity: The Timeless Quest" (2013) 156 Trademark World 22, 24

⁴⁸ See Unilever Plc v. OHIM, Case T-194/01, 5 March, 2003, para 43

⁴⁹ Arsenal Football Club plc v Matthew Reed [2001] ETMR 860 (HC).

Another concern the consumer had in their mind is that they want to seek an assurance that relates to the quality of the goods or services to which the trademark testifies. It stimulates further purchases. Putting in other words, the trademark promises the consumer satisfaction and the chance of repeating satisfaction. Noticeably, these functions exist only as between the trademark owner and the actual or potential consumers. This view minds the trademark owner, as brand exploiter, to his customers, while the identity and origin reasons are to stop the competitors from coming too close.

iv. To enable the consumer to make a lifestyle statement

Once a trademark has been created and used, it remains not only the private property of the trademark owner but also the toy of the consumer. From a customer's point of view- from the view of a lifestyle statement is a phenomenon which has enriched both the trademark owners as well as the counterfeiters. For example, fashion brands enable a consumer to make a statement to the world as to who he is? If someone wears a PRADA he is basically making a statement that he is a PRADA person.

v. To protect the investments made by the trademark owner in creating the goodwill and reputation of the mark

The trademark owner serves as an important tool for advertising and making known a brand amongst the consumers. However, creation of that knowledge requires investments in terms of advertisements and ensuring market presence, which are huge. They represent the sunk costs, because that cost is initially sunken and has to be recovered from the market. In absence of a trademark law system that investments could never be recovered. This desires trademarks to be effectively protected by law to enable the businesses to protect their investments. Organisations today heavily rely on trademarks or their brand names to market products and services. A very high cost is incurred in the marketing and distribution of these products and services. Economic incentive is one of the major driving forces for any organisation in the market competing with other firms to market their products and

services. A trademark often results in a monopoly for a period of time depending on whether it is registered or it has not been registered. Monopoly makes good business sense, even though it may be considered as the root of all social evil, but for the progress of society, monopoly is essential because returns to investment must be present if humongous cost is incurred in development of the brand value over a long period of time.

vi. To ensure integrity in the market place

The efficiency of the market place depends upon the quality of information available to the consumers. Where it is uniform or easily inspected at the time of purchase, consumer can determine the attributes themselves and no information crisis arises. In order for consumers to select the products that best suit their needs and preferences, they must rely either on their past consumption experience or on information about the product provided by the producer or a third party. In short, they need to rely on a product's reputation. But this only works when consumers can reliably identify the goods of different producers in the marketplace – the precise function performed by brands. Indeed, if many producers could independently market their products using the same brand, consumer intelligence would have little value, and producers could not build a reputation. As the copying of the trademark is a much easier task than copying the product which tempts the counterfeiters to make false or misleading claims about the source of the goods or services. Unreliable information in the marketplace enhances consumers cost of search and distorts the provision of goods. Consumers have to spend more time and effort inspecting goods, researching the product market, and actually testing the products. Likewise the manufacturers would have a little incentive to invest in maintaining the quality of their products as then the others will be able to free-ride upon the reputation they would create. In such a situation high-quality manufacturers would find it difficult to survive without an effective policing mechanism. In what turned out to be one of the most-cited journal articles in economics, George Akerlof famously considered the market for used cars. He argued that, typically, buyers will have less information about the quality of used

cars than sellers – the latter of whom could be either the cars’ owners or specialized dealers. This is because buyers cannot ascertain key quality characteristics of a used car – how long the engine will last, how often the windscreen wiper needs repair, or whether the engine will ignite on a cold winter day – by simple inspection. In other words, buyers are uncertain about whether they are about to buy a good quality car or sour grapes. Faced with this uncertainty, buyers will not be willing to pay the full price of a high-quality car. If they are risk-neutral and quality is uniformly distributed, they will at most be willing to pay the price of an average quality car. Sellers, in turn, who have perfect knowledge about quality, would not be willing to sell a high-quality car for the price of an average quality car. As a result, there is no market for high-quality cars. Instead, a race to the bottom ensues, whereby only sales of the lowest quality cars occur. However, markets for high-quality used cars do, in fact, exist. Akerlof’s original article recognized that certain mechanisms – such as warranties and social norms – exist in order to lessen the effects of quality uncertainty. On the role of trademarks, he specifically mentioned the role of brand names: This highlights an important function of trademarks to ensure the integrity of the market place.

vii. They operate as an adjunct to other intellectual property rights

Trademarks serves as an important part of the intellectual property system by serving as an adjunct to other intellectual property rights such as patents, copyright, designs etc. it enables the exploitation of the work. Further, it also play a role in the traditional function of the intellectual property system as they continue to act as a stimulus to innovation. Marks act cumulatively to other intellectual property protection, continuing the protection necessary for innovation after other intellectual property right have expired. For example, if APPLE produces cutting edge products today involving a high level patented invention, they would generate a goodwill and reputation in the market. However, the patent upon the same would expire in twenty years. But the reputation and goodwill so acquired would drive the APPLE to

continuously come up with further innovations in order to maintain the same standing in the market.

4.4 Harms in Failure to Protect Trademarks

If protection of trademarks was not subject to law, there would essentially be chaos. From an economic perspective, organisations would have very little incentive to:

a) *Produce goods and services of a certain quality*

There being no standard against which their product has to be measured, there being no goodwill / brand value / image to be maintained.

b) *Research and develop new technology, products and services*

Research and development for novel technologies would be compromised, because there would not be any expected source of future cash flows, because there would be no source indicator which would direct the consumers to the particular company who is involved in the research or the marketing of the product.

c) *Consumers would be forced to buy substandard services and products*

Since there would be no particular source indicator which only one person would be allowed to use and everyone is free to provide different products and services under another's specific source indicator consumers would be subjected to the sale of substandard services and products as everyone can name which may not even be intended by the original manufacturer.

d. *The issue of brand piracy.*

As defined under the TRIPS agreement :

“counterfeit trademark goods” shall mean any goods, including packaging, bearing without authorisation a trademark which is identical to the trademark validly registered in respect of such goods, or which cannot be distinguished in its essential aspects from such a trademark, and which thereby infringes the rights of the owner of the trademark in question under the law of the country of importation;”

Technically, the English term “counterfeiting” only refers to specific cases of trademark infringement. However, in practice, the term is allowed to encompass any

making of a product which so closely imitates the appearance of the product of another as to mislead a consumer that it is the product of another. Hence, it may also include the unauthorised production and distribution of a product that is protected by other intellectual property rights, such as copyright and neighbouring rights. This is in line with the German term "*Produktpiraterie*" and the French term "*contrefaçon*", which both cover a broader range of intellectual property right infringement.⁵⁰

Commonly counterfeited goods include –

- a) Toys
- b) High end luxury designed goods
- c) Aircraft spare parts, automotive spare parts and after-market accessories
- d) Perfumes

Brand piracy, not only affects the brand image and the trademark, but in certain cases it can also lead to situations where small actions might have huge ramifications, for example, in the context of spare parts supplied for the airline industry. Although very stringent controls exist for the supply of spare aircraft parts, there have been a number of incidents of aeroplane crashes caused by fake components. Components for aircraft, such as washers, bolts, nuts and screws, are made by a large number of small companies. The supply chain is, in theory, controlled strictly by Defence Departments as well as by non-governmental trade associations but, in practice, there have been a number of incidents where counterfeit components have found their way into the supply chain. This has the potential to cause huge problems since thousands of parts are used on each aircraft and it takes only one fake component to lead to a disaster. Industry experts believe that up to 10 per cent of spare parts in the US are Suspected Unapproved Parts (SUPs). This includes parts that are either counterfeit, stolen or, as in the majority of cases, lack the right paperwork. The US Department of Transport has estimated that there could be up to US\$1 billion worth of "unapproved parts" in the warehouses of US airlines and parts distributors. The bogus spares industry is believed to attract criminals

⁵⁰ <http://www.oecd.org/sti/ind/2090589.pdf>

because of its high profits and low risk. Whilst a genuine nut is costly to produce and may sell for US\$400, a counterfeit can be manufactured for a fraction of the amount and sold on the black market for a high profit. The black market for aircraft parts in the United States is virtually unregulated and includes more than 5 000 brokers (Jackson, 1994).⁵¹

Hence, need of protection of trademarks, is reiterated.

4.5 Conclusion

The justification for the protection apart from the purposes above mentioned can be broadly summarized as two, private and public justification. The private justification is that there is a natural right to protect a commercial reputation. An individual's reputation is protected by the law of defamation and not by proprietary rights, however, commercial reputation is an integral part of a business, and it is undoubtedly owned by a proprietor. In addition an individual does not have an identifiable sign of reputation, whereas trademark rights are only granted to the marks capable of graphic representation, making proprietary rights appropriate. As far as the public justification is concerned, it is two-fold, one from the perspective of consumers and two from the perspective of competition. Coming to the consumers, by indicating the source, it enables a consumer to choose between competing products without being confused. It is evidently true that in a competitive economy, the consumer benefits from the choices. It also enables a consumer to make a choice even when all the information about the product is not available. Preserving information about the source also protects information about the quality by enabling consumers to relate to the previous experiences. In other words, a mark forces accountability for the product on the proprietor of the mark, conversely, also providing an incentive to the proprietor to at least to maintain the same quality. As to the second aspect that trademark act as an aid to the competition, by allowing the competing goods and services to remain identifiable in the market. It facilitates enhanced competition by enabling mass marketing without loss of identity, thus

⁵¹<http://www.oecd.org/sti/ind/2090589.pdf>

saving the marketing costs. Both the mass marketing and the mark itself saves the consumer's time. It also facilitates in establishing the foreign markets. The registration of the mark, and the common law of passing off also enables the mark owner to seek remedy in event of an unauthorised use of a trademark. Concluding the chapter, it can be summarized that legal protection to trademarks is necessary because trademarks not only help us identify the origin of the product or service or the producer they also help us identify with the product. Trademarks are an important part of economics.

Terms you should know:

You should be familiar with the following terms used in the trademark field:

Assignment

an arrangement by which a trademark owner transfers ownership of the mark. In many countries, an assignment is invalid unless it includes the goodwill of the business symbolized by the mark.

Some countries have other formal requirements, such as the recordation of the assignment with the Trademark Office, and may impose a transfer tax.

Counterfeit

– a spurious mark that is identical with, or substantially indistinguishable from, a registered mark, or non-genuine goods or services. Substantial criminal and civil penalties may be levied against those who intentionally traffic in counterfeit goods or goods bearing counterfeit marks.

Dilution

– a term primarily used in the United States to refer to the unauthorized use of a famous mark by another in a manner that tends to blur the mark's distinctiveness or tarnish its image even if it does not create a likelihood of confusion. For example, if a disreputable bar adopted the mark ROLLS ROYCE, thereby capitalizing on or disparaging the unique name of the automobile, dilution laws might permit a court to prohibit that use – even if there were no likelihood of confusion that the service was provided by the owner of the famous ROLLS ROYCE mark. Goodwill the intangible asset of a company consist ing of the reputation of that company or its product resulting from association of a trademark with that company or product that provides added value to a company's worth (such as a recognizable brand).

Protection of goodwill is one of the main purposes of trademark law.

Gray Market Goods

genuine trademarked articles (not counterfeits) that are only authorized for distribution in a particular country, but are diverted for sale into a different country. Gray market goods may or may not be physically different from local goods, and the legality of gray market goods is a controversial issue. Infringement the use of a mark so similar to another's mark for the same or related goods or services that confusion, mistake or deception is likely to occur.

Courts protect marks against infringement and may issue injunctions, compensate the owner for damages, take away the infringer's profits, award attorney's fees, and even order goods to be seized or recalled from the market and destroyed. Some jurisdictions also offer criminal remedies.

Licensing

– an agreement by which a trademark owner permits another party to use a trademark. Licenses may include a variety of terms such as requiring periodic payments and limiting the ability of the licensor to grant licenses to other parties. A license is invalid in many countries unless the owner has the right to – and actually does – control the nature and quality of the goods or services of the licensee. Some countries require licenses to be recorded, or licensees to be officially entered as Registered Users, and many countries impose a withholding tax on trademark royalties paid to a foreign licensor.

Trade Dress

– the packaging or design of a product. Consumers may be guided by the product's familiar look rather than the words on it, in which case the product's trade dress can be protected like any other trademark. In some countries, packaging trade dress may be entitled to immediate protection and registration under trademark law. However, product design can generally only be protected or registered after a period of exclusive use and promotion.

Trade Name

– the name used by a company in its business activities. Also known as a commercial name," a company's trade name may also be its corporate name, and it may or may not also be used as a trademark. An officially approved corporate name

can be used on legal documents, but if it infringes another's trade name, trademark or service mark, it cannot be used in ordinary trade.⁵²

4.6 Self-assessment

1. Examine the needs to protect the trademarks.
 2. What are the main functions of the trademarks? How they relate to the need to protect trademarks?
 3. What would be the harm in failure to protect the trademark?
 4. Examine the public and private justifications for the protection of trademarks.
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4.7 Suggested readings

1. Kamperson Sanders, A. and Maninatis, S., A Consumer Trademark: Protection Based on Origin and Quality, [1993] EIPR 406
2. Landes, W and Posner, R., The Economics of Trademark Law, (1987) 30 J Law and Econ. 268
3. Maniantis, S., Trademark Rights – a Justification Based on Property, [2002] IPQ 121.

⁵² http://www.inta.org/Media/Documents/2012_TMBasicsBusiness.pdf

UNIT- 5

REGISTRATION OF TRADEMARK AND PROCEDURAL ASPECTS

Objectives

The present unit aims at describing appropriate office for registration, the documents that can be inspected at the register. Discuss what trademarks are registrable. Further it will discuss the prohibitions upon registrations and will highlight the procedural aspects of registration of a trademark.

Structure

- 5.1 Introduction
- 5.2 Appropriate office of trademark registry
- 5.3 Documents of the register that are open/not open for public inspection
- 5.4 Trademark journal
- 5.5 What trademarks are registrable?
- 5.6 Registration in case of a honest concurrent use
- 5.7 Prohibition of registration of names of chemical elements and international non-proprietary names
- 5.8 Use of names and representations of living and dead persons
- 5.9 Registration of parts of trademarks and marks as a series
- 5.10 Registration of trademarks as associated trademarks
- 5.11 Procedural aspects of trademark registration
- 5.12 Conclusion
- 5.13 Self-assessment
- 5.14 Further readings

5.1 Introduction

The Trademarks Act 1999 mandates that there shall be a Trademarks Registry. For the purposes of this Act, the Trademarks Registry established under the Trade and Merchandise Marks Act, 1958 shall be the Trademarks Registry.⁵³ Section 6 of the Act provides that a Register of Trademarks has to be maintained in the office of the Trademarks Registry.⁵⁴ Records of the trademarks registered can also be kept in computer floppies, diskettes or any other electronic form. For ease of locating the record of any trademark, the register is divided into sections based on the classification of goods and services. In each section, the marks registered, are arranged according to the official numbers allotted to the corresponding applications for registration. The entry for each mark is made on a separate sheet of paper.⁵⁵

Against the entry of each trademark in the register, there shall be entered⁵⁶ –

- a) A specimen of the trademark, as advertised in the Trademark Journal
- b) The official serial number allotted to the mark
- c) The date of registration
- d) The names, addresses and description of the proprietors
- e) Address for service in respect of foreign proprietors
- f) The description of goods
- g) The class in respect of which the mark is registered
- h) The appropriate office of the Trademark Registry in relation to the trademark
- i) Conditions and limitations
- j) Note regarding association with other registered marks
- k) Transmission and assignments of the mark. (Entered subsequently, upon transmission or assignment of the mark).

The registration of a trademark may be renewed from time to time, upon payment of the prescribed fee. Upon renewal of registration of a mark, an entry to that effect must be made in the register.⁵⁷

⁵³ Section 5 of the Trademarks Act, 1999.

⁵⁴ Section 6(1) of the Trademarks Act, 1999

⁵⁵ Law of Trademarks and Passing Off, P Narayanan, 6th Edition, Page 47

⁵⁶ Law of Trademarks and Passing Off, P Narayanan, 6th Edition, Page 47-48

The Trademark Registry shall have a seal⁵⁸. The seal of the Trademark Registry has to be affixed on all certificates of Registration, all decisions and orders of the Registrar, made under the Act, and certified copies of documents issued by the Registrar.

5.2 Appropriate Office of Trademarks Registry

The significance of “appropriate office” becomes evident while making an application for registration of a trademark, filing notice of opposition or application for rectification, or for any other proceedings under the Act or the Trademark Rules, 2002. Such appropriate office is determined by the location of the principal place of business of the applicant for registration.⁵⁹

5.3 Documents of the Register open/not open to public for inspection

Documents which are open for public inspection are as following⁶⁰:

- a) The register and any documents upon which any entry in the in the register is based, i.e., the application for registration, evidence filed in connection therewith, etc.
- b) Notice of opposition, application for rectification or counter statement thereto.
- c) All Regulations deposited under section 74.
- d) The index of registered trademarks, applications for trademarks pending registration and names of proprietors of registered trademarks.

Documents not open to public inspection⁶¹

⁵⁷ Section 25 of the Trademarks Act, 1999

⁵⁸ Section 5(4) of the Trademarks Act, 1999

⁵⁹ Law of Trademarks and Passing Off, P Narayanan, 6th Edition, Page 49

⁶⁰ Section 147 and 148 r/w Rule 117.

⁶¹ Law of Trademarks and Passing Off, P Narayanan, 6th Edition, Page 51

If the applicant makes a request to the registrar to the effect that information given for the purpose of an application for registration be not disclosed to public, no such information, other than that entered in the register will be made public. Certified copies of entries in the register or any documents mentioned in section 148(1) or any decision or order of the Registrar may be obtained on making an application along with the prescribed fee.⁶² A copy of an entry in the register or of any document referred to in section 148(1) certified by the Registrar, bearing the seal of the Trademark Registry shall be admissible as evidence in all courts and in all proceedings, without the need for further proof of originality.⁶³

5.4 Trademarks Journal

It is published fortnightly by the Registrar. It contains the following particulars –

- a) Particulars relating to applications for registration of trademarks.
- b) Notifications of corrections and amendments in applications.
- c) Applications refused after opposition.
- d) Applications advertised.
- e) Notification of corrections and amendments after opposition.
- f) Trademarks registered
- g) Registered users of registered trademarks entered in the Register.
- h) Variations in the conditions or restrictions in the entry of the registered user.
- i) Subsequent proprietors registered.
- j) Names, addresses and description of the registered users altered in the register.
- k) Rectification of the Register.
- l) Registrations renewed.
- m) Trademarks removed from the Register for non payment of renewal fee.
- n) Clerical errors corrected in the Register.
- o) Notifications relating to amendment of the Act and the Rules.

⁶² Rule 119 of the Trademark Rules, 2002

⁶³ Section 137(1) of the Trademarks Act, 1999

p) Miscellaneous notices relating to trademarks.

5.5 What Trademarks Are Registrable?

Trademarks are registrable, subject to the fulfilment of certain conditions, prescribed in the Act. The Act defines “mark” under section 2(1)(m) as including a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof. Trademark has been defined under section 2(1)(zb) of the Act⁶⁴. The above definition of trademark shows that there are certain conditions that need to be fulfilled in order for a mark to be classified as a trademark. The said conditions are –

- a) The conditions stated in section 2(1)(m) must be satisfied, i.e., it must be a ‘mark’.
- b) The mark should be capable of being represented graphically.
- c) The mark should be capable of distinguishing the goods or services of one person from those of others.
- d) The mark is used in relation to goods or services for the purpose of indicating a connection between the goods or services, as the case may be, and the proprietor of the mark or the permitted user thereof.
- e) Such use of the mark may or may not indicate the identity of the person using the mark.

⁶⁴The Act goes on to define trademark under section 2(1)(zb) as –

(zb) “trademark” means a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others and may include shape of goods, their packaging and combination of colours; and--

(i) in relation to Chapter XII (other than section 107), a registered trademark or a mark used 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, as the case may be, and some person having the right as proprietor to use the mark; and

(ii) in relation to other provisions of this Act, a mark used or proposed to be used in relation to goods or services for the purpose of indicating or so to indicate a connection in the course of trade between the goods or services, as the case may be, 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, and includes a certification trademark or collective mark;

f) The term “trademark” includes certification trademark and collective mark.

However, the Act approaches the issue of registrability of trademarks in an exclusionary manner. Rather than expressly defining the conditions required for the registration of ‘trademarks’, the Act specifies the ‘marks’ which cannot be registered. In this regard, section 9 and section 11 of the Act provide guidance. Section 9 provides the absolute grounds for refusal of registration of ‘trademarks’. As is evident, the trademark must have a distinctive character in order to be registered. What constitutes distinctive character is decided on a case to case basis. In Yakult Honsha K.K.’s Trademark Application⁶⁵, an application to register the shape of a bottle in classes 29 and 32 was refused on the ground that it lacked distinctive character. There was evidence of sales promotion and survey evidence to that effect. It was held by the Registrar that the mark had not become distinctive through use. An appeal to the High Court was dismissed, wherein it was held that –

- a) Where inherent distinctiveness was concerned, the Registry had to find that the mark performed the function of identifying origin even before the public had been aware about the use of the shape of the bottle as an indicator of source.
- b) In the case of the shape of a container as a trademark, the relevant question was not whether the container would be recognized on being seen a second time, but whether by itself, its appearance would act as an indicator of source.
- c) The evidence of sales promotion did not show any effort to promote the shape of the bottle as a trademark.
- d) There was no evidence to show that at the date of the application, the applicant had done anything to educate the public that its bottles had trademark significance nor that the public learned of such significance.

Absolute grounds for refusal of registration

The section clearly indicates that marks or indications which are used in trade to designate the kind, quality, quantity, intended purpose, values, geographical origin or

⁶⁵ [2001] RPC 756

the time of production of the goods or rendering of the service or other characteristics of the goods or service. The section also unequivocally expresses that marks that have become customary in the current language or in the established practices of trade cannot be registered as trademarks.

This section⁶⁶ stipulates that the trademarks which are devoid of any distinctive character or 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 goods or rendering of services or other characteristics of the goods or service or which consist exclusively of marks or indications which have become customary in the current language or in the bona fide and established practices of the trade shall not be registered, unless it is shown that the mark has in fact acquired a distinctive character as a result of use before the date of application.

⁶⁶ Section 9

(1) The trademarks –

- (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 service;
- (c) which consist exclusively of marks or indications which have become customary in the current language or in the bona fide and established practices of the trade,

shall not be registered :

Provided that a trademark shall not be refused registration if before the date of application for registration it has acquired a distinctive character as a result of the use made of it or is a well-known trademark.

(2) A mark shall not be registered as a trademark 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 (12 of 1950).

(3) A mark shall not be registered as a trademark if it consists exclusively of--

- (a) the shape of goods which results from the nature of the goods themselves; or
- (b) the shape of goods which is necessary to obtain a technical result; or
- (c) the shape which gives substantial value to the goods.

Explanation.--For the purposes of this section, the nature of goods or services in relation to which the trademark is used or proposed to be used shall not be a ground for refusal of registration.

The section further provides that a mark shall not be registered as a trademark if

- a) it deceives the public or causes confusion,
- b) it contains or comprises any matter likely to hurt the religious susceptibilities,
- c) it contains scandalous or obscene matter,
- d) its use is prohibited.

The mandate of the section extends to provide that if a mark consists exclusively of

- a) the shape of goods which form the nature of goods themselves, or
- b) the shape of goods which is necessary to obtain a technical result, or
- c) the shape which gives substantial value of goods then it shall not be registered as trademark.

How to determine similarity of marks

In order to determine whether one mark is deceptively similar to another, the broad and essential features of the two are to be considered. They should not be placed side by side to find out if there are any differences in the design and if so, whether they are of such a character as to prevent one design from being mistaken for the other. It would be enough if the impugned mark bears such an overall similarity to the registered mark as would be likely to mislead a person usually dealing with one to accept the other if offered to him.⁶⁷

Apart from the structural, visual and phonetic similarity or dissimilarity, the question has to be considered from the point of view of man of average intelligence and imperfect collection. The mark is to be considered as a whole and it is the question of a person's impression.⁶⁸

Considering the question of deceptive similarity with regard to two labels of different brands of 'bidis', it was noted by the court that 'bidis' are used by persons belonging to poor and illiterate or semi-illiterate class, whose level of awareness is

⁶⁷Mumtaz Ahmed v. Pakeeza Chemicals, AIR 2003 All 114

⁶⁸BDH Industries Ltd. v. Croydon Chemical Works Pvt. Ltd., AIR 2002 Bom 361

not high. It cannot be expected of them that they would comprehend and understand the fine difference between the two labels, which may be detected on comparing the two labels when placed side by side. The essential features of the two labels were common. Keeping in mind that the marks are not to be placed side by side for determining deceptive similarity, but on a recollection of the impression created by the two marks in the mind of the observer, it was held that there was deceptively similarity between the two labels.⁶⁹

Acquisition of secondary meaning

The plaintiff filed a suit and an interlocutory application for restraining the defendants from using a mark which is similar to the plaintiff's mark so as to create confusion or deception. The plaintiff's mark was "Krishna". It depicted the picture of Lord Krishna standing on a lotus flower in respect of their milk and dairy products. It was under copyright registration since 1922 and had attained good will and reputation. The defendants used the similar mark of Lord Krishna putting it after the words "Parul's Lord Krishna". The court said that where registered mark appears with a prefix and it is either descriptive or common name, the test of distinctiveness is to be applied. In other words, whether it has obtained secondary distinctiveness of the kind which brings to mind immediately the plaintiff's product.

The test of secondary distinctiveness is the same in the context of a common name or descriptive mark. The court was not persuaded to come to a conclusion that the name as common as "Krishna", which in the cultural context of our country is as common as the word "John" in the West, has achieved in this case a secondary distinctiveness of the kind which is inseparably related by the consumer to the plaintiff's product. The words that are not distinctive in themselves, if have to be used as trademarks, have to acquire distinctive character (secondary meaning) in order to be used as such trademarks. The plaintiffs were the proprietors of a sports drink Gatorade. They sought to protect their rights against the use of the descriptive expression

⁶⁹Mohd Iqbal v. Mohd Wasim, AIR 2002 MP 162

“Rehydrate, Replenish, Refuel” because the defendant was using a deceptively similar expression in relation to its energy drink “Glucon D Isotonik”. The plaintiffs alluded to their high sales revenue figures in India. But they didn’t present any documents showing sales in India or any evidence collected through consumer surveys that supported their claim. The court, therefore, held that it could not be said that their expression had acquired secondary distinctive meaning relating to the product. Such expression was commonly used in relation to sports goods. Therefore, it ought not to have been registered. This contention was accepted. The registered trademark or expression of the plaintiffs was prima facie on weak footing, the words being an intrinsic part of the current language commonly used in the trademark for describing the character, quality and attributes of an isotonic drink.

The point to be highlighted is that acquisition of secondary meaning does not take place by mere use, rather it has to be supported by survey reports of consumers or any other evidence. Survey reports depend upon the sample questions asked and hence, sometimes, they may not be persuasive enough evidence.

Section 10 stipulates that a trademark may consist of a combination of colours wholly or in part. Any combination of colours chosen is to be taken into consideration while deciding the distinctive character of the mark. Sub – section (2) directs that when a trademark is registered without any limitations as to colours, it shall be taken to be registered for all colours.

Relative grounds for refusal of registration

Relative grounds for refusal of registration of trademarks are dealt with in section 11 of the Trademarks Act, 1999. The first sieve is the criterion mentioned in section 9, which are the absolute grounds for refusal of registration of trademark. Section 11⁷⁰

⁷⁰(1) Save as provided in section 12, a trademark shall not be registered if, because of--
(a) its identity with an earlier trademark and similarity of goods or services covered by the trademark; or
(b) its similarity to an earlier trademark and the identity or similarity of the goods or services covered by the trademark,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trademark.

(2) A trademark which--

(a) is identical with or similar to an earlier trademark; and

(b) is to be registered for goods or services which are not similar to those for which the earlier trademark is registered in the name of a different proprietor, shall not be registered, if or to the extent, the earlier trademark is a well-known trademark 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.

(3) A trademark shall not be registered if, or to the extent that, its use in India is liable to be prevented--

(a) by virtue of any law in particular the law of passing off protecting an unregistered trademark used in the course of trade; or

(b) by virtue of law of copyright.

(4) Nothing in this section shall prevent the registration of a trademark where the proprietor of the earlier trademark or other earlier right consents to the registration, and in such case the Registrar may register the mark under special circumstances under section 12.

Explanation.--For the purposes of this section, earlier trademark means--

1[(a) a registered trademark or an application under section 18 bearing an earlier date of filing or an international registration referred to in section 36E or convention application referred to in section 154 which has a date of application earlier than that of the trademark in question, taking account, where appropriate, of the priorities claimed in respect of the trademarks;]

(b) a trademark which, on the date of the application for registration of the trademark in question, or where appropriate, of the priority claimed in respect of the application, was entitled to protection as a well-known trademark.

(5) A trademark shall not be refused registration on the grounds specified in subsections (2) and (3), unless objection on any one or more of those grounds is raised in opposition proceedings by the proprietor of the earlier trademark.

(6) The Registrar shall, while determining whether a trademark is a well-known trademark, take into account any fact which he considers relevant for determining a trademark as a well-known trademark including--

(i) the knowledge or recognition of that trademark in the relevant section of the public including knowledge in India obtained as a result of promotion of the trademark;

(ii) the duration, extent and geographical area of any use of that trademark;

(iii) the duration, extent and geographical area of any promotion of the trademark, including advertising or publicity and presentation, at fairs or exhibition of the goods or services to which the trademark applies;

(iv) the duration and geographical area of any registration of or any application for registration of that trademark under this Act to the extent they reflect the use or recognition of the trademark;

(v) the record of successful enforcement of the rights in that trademark; in particular, the extent to which the trademark has been recognised as a well-known trademark by any court or Registrar under that record.

(7) The Registrar shall, while determining as to whether a trademark is known or recognised in a relevant section of the public for the purposes of sub-section (6), take into account--

(i) the number of actual or potential consumers of the goods or services;

(ii) the number of persons involved in the channels of distribution of the goods or services;

(iii) the business circles dealing with the goods or services, to which that trademark applies.

(8) Where a trademark has been determined to be well-known in at least one relevant section of the public in India by any court or Registrar, the Registrar shall consider that trademark as a well-known trademark for registration under this Act.

of the Act acts as a second sieve to filter out the trademarks that are not covered by the prohibitions to registration under section 9.

A relative ground for refusal arises when the present mark under consideration is identical with an earlier trademark. Sub – section (1) mandates that a proposed trademark is to be refused registration when there exists a likelihood of confusion to public including the likelihood of association with an earlier trademark because of its (a) identity with an earlier trademark and (b) similarity of goods or services covered by the trademark, or its similarity to an earlier trademark and the identity and similarity of goods or services covered by the mark.

In order to decide whether whisky manufactured in India under registered trademark “Peter Scot” could persuade some customers to think that the same was a Scotch whisky, the fact that Scotch was bought by a class of buyers who were supposed to know the value of money, the quality and content of Scotch Whisky, the difference in the process of manufacture, place of manufacture and its origin. When the product is to be purchased both by village and town people, the test of prudent man is to be applied. But that did not warrant application of Heightened Scrutiny Test. Since the

(9) The Registrar shall not require as a condition, for determining whether a trademark is a well-known trademark, any of the following, namely:--

- (i) that the trademark has been used in India;
- (ii) that the trademark has been registered;
- (iii) that the application for registration of the trademark has been filed in India;
- (iv) that the trademark--
 - (a) is well known in; or
 - (b) has been registered in; or
 - (c) in respect of which an application for registration has been filed in, any jurisdiction other than India; or
- (v) that the trademark is well-known to the public at large in India.

(10) While considering an application for registration of a trademark and opposition filed in respect thereof, the Registrar shall--

- (i) protect a well-known trademark against the identical or similar trademarks;
- (ii) take into consideration the bad faith involved either of the applicant or the opponent affecting the right relating to the trademark.

(11) Where a trademark has been registered in good faith disclosing the material information's to the Registrar or where right to a trademark has been acquired through use in good faith before the commencement of this Act, then, nothing in this Act shall prejudice the validity of the registration of that trademark or right to use that trademark on the ground that such trademark is identical with or similar to a well-known trademark.

application of wrong test led to a wrong result, the case warranted interference by the Supreme Court.

Sub – section (2) provides that a trademark which is identical with or similar to an earlier trademark and is to be registered for goods or services which are not similar to those for which the earlier trademark is registered in the name of a different proprietor is not to be registered if the earlier trademark is a well – known trademark in India and the use of the latter mark would take unfair advantage or be detrimental to the distinctive character or repute of the earlier trademark.

Sub – section (3) provides that a trademark is not to be registered to the extent that its use in India is liable to be prevented by virtue of any law, in particular, the law of passing off protecting an unregistered trademark used in the course of trade or by virtue of the law of copyright.

Sub – section (4) provides that the section is not to be used to prevent registration of a trademark where the proprietor of the earlier trademark or other earlier right consents to the registration. In such a case the Registrar may register the mark under section 12 because of the special circumstances.

Sub – section (5) provides that a trademark is not to be refused registration on the grounds specified in sub – sections (2) and (3) unless an objection on those grounds was raised in the opposition proceedings by the proprietor of the earlier trademark.

Test of well known trademark – section 11(6)

The Registrar can take into account any fact which he considers relevant for the purpose of determining whether a trademark is a well – known trademark. Such factors may include the following –

- a) The knowledge or recognition of that trademark in the relevant section of the public including knowledge in India obtained as a result of promotion of the trademark.
- b) The duration, extent and geographical area of any use of that trademark.

- c) The duration, extent and geographical area of any promotion of that trademark including advertising or publicity and presentation at fairs or exhibitions of the goods or services to which the trademark applies.
- d) The duration and geographical area of any registration of or any application for registration of that trademark under the Act to the extent that they reflect the use or recognition of that trademark.
- e) The record of successful enforcement of the rights in that trademark, in particular, the extent to which the trademark has been recognized as a well – known trademark by any court or Registrar under that record.

The plaintiff prima facie showed that its mark “Shriram”, though not inherently distinctive had acquired distinctiveness over long years of continuous use. The defendants had not been able to establish such a prima facie use value at the stage of injunction application. The court found that there was a possibility of deception and confusion if a rival could also use the same word for the same kind of material. The court granted an injunction even if it were to accept the defendant’s contention that they adopted the mark in question honestly. The registration in their subsequent registration also did not constitute any defence in an action for passing off.

Sub – section (7) says that the Registrar, while determining whether a trademark is known or recognized in a relevant section of the public for the purposes of sub – section (6), may take into account the following –

- a) The number of actual or potential consumers of the goods or services.
- b) The number of persons involved in the channels of the distribution of goods or services and
- c) The business circles dealing with the goods and services.

Sub – section (8) says that when a trademark has been determined to be well known in at least one relevant section of the public in India by any court or Registrar, the Registrar has to consider that trademark as a well – known trademark for registration under the Act.

According to sub – section (9), the Registrar is not to require as a condition, for determining whether a trademark is well known, any of the following –

- a) That the trademark has been used in India.
- b) That the trademark has been registered.
- c) That an application for its registration has been filed in India.
- d) That the trademark is well known in, or registered in, or an application for its registration has been filed in any jurisdiction other than India.
- e) That the trademark is well known to the larger public in India.

Sub – section (10) requires the registrar while considering an application for registration of a trademark and an opposition fixed against it (1) to protect a well known trademark against the identical or similar trademarks and (2) to take into consideration the bad faith involved either of the applicant or the opponent affecting the right relating to the trademark.

Sub – section (11) carries a saving provision. It says that where a trademark has been registered in good faith disclosing the material information to the Registrar or where the right to a trademark has been acquired through use in good faith before the commencement of the Act, then this Act is not to prejudice the validity of the registration of that mark or the right to use that mark on the ground that the trademark is identical with or similar to a well – known trademark.

The Delhi High Court found in a case before it, ruled that the packaging of the respondent's product was a brazen and slavish imitation of the petitioner's well – known international mark

“Jolen” and therefore it could not be allowed to be continued. The respondents depicted the word “Jolen” within an oval ring with lettering and front identical to that of the petitioner and even copied the word “Jolen”. The mark used by the respondents was slavish imitation of the mark of the petitioner. There being no doubt that an average customer would mistake the respondent’s products as that of the petitioner or as counterfeit of the petitioner’s obviously more expensive foreign branded products. Its use by the respondents was not allowed to be continued. The petitioner’s mark was there in 40 different countries of the world as a registered trademark. The owners of Jolen had international reputation whereas the challenger was trying to flourish only an imitation. Keeping this in mind, Petitioner, which is first both in the international and the domestic market as its products with the mark JOLEN are shown to be available in India and prior to the use of the mark JOLEN on cosmetic products by Respondents in India, the court ruled in favour of the petitioner.

5..6 Registration in case of Honest Concurrent Use – Section 12

The registrar may permit honest concurrent use of a trademark by more than one proprietor. This may be done because of the special circumstances of the case which in the opinion of the Registrar make it proper to do so. He may permit registration by more than one proprietor of the trademarks which are identical or similar (whether any such trademark is already registered or not) in respect of the same or similar goods or services. The registrar may impose such conditions and limitations as he

may think fit. The defendant failed to establish himself as an honest concurrent user of the trademark. His act therefore amounted to fraudulent infringement of the plaintiff's mark. The court said that the relief of injunction could not be refused only on the ground of inordinate delay in seeking it. No acquiescence was found on the facts of the case. A concurrent use of the trademark can be granted on the Registrar being satisfied of honesty of purpose in seeking the grant. Such use may be granted upon conditions and limitations.

For instance, one party's educational institution was started in 1995 and the other's in 1994. One of them applied "Goenka" and the other as "GD Goenka Public School". It could not be said that in one year's time the institution had acquired such a high name and fame that the other could divert students by using the word "Goenka" which was the surname of both the parties. Thus, it was a case of honest concurrent use.

5.7 Prohibition of registration of names of chemical elements or international non proprietary names – Section 13

Names of certain chemical elements or international non proprietary names cannot be registered as trademarks. The prohibition applies to a word which is commonly used and is an accepted name of any single chemical element or single chemical compound. This has to be distinguished from a mixture in respect of a chemical substance or preparation. The prohibition also applies to an international or non proprietary name something which is deceptively similar to such name. It is necessary that the word should have been declared by WHO and notified in the prescribed manner by the Registrar from time to time as an international non – proprietary name.

5.8 Use of names and representations of living or dead persons – Section 14

Where an applications has been made for registration of a trademark which falsely suggests a connection with any living person or a person who died within 20 years prior to the date of application for registration of the trademark, the Registrar may require the applicant to furnish before him the consent of the living person or legal representative of the deceased person to the connection appearing on the trademark. The Registrar may refuse to proceed with the application unless the applicant furnishes such consent.

The trademark was in the utilization of the joint family. One of the brothers obtained its registration and claimed enjoyment since 1993. It was not shown whether any kind of partition had taken place in the family after issuance of the registration certificate. It was held that the grant of temporary injunction by the trial court to prevent one of the brothers from using the mark could not be faulted with. The court laid emphasis upon the fact that in the matter of interlocutory applications, the court has to record only a prima facie case.

5.9 Registration of parts of trademarks and marks as a series – Section 15

Where the proprietor of a trademark claims to be entitled to the exclusive use of any part of it separately, he may apply for registration of the whole and part as separate trademarks. Each such separate trademark has to satisfy all the conditions which apply to an independent trademark. It will also have the incidents of an independent trademark.

Registration as a series in one transaction is done under sub – section (3). This sub – section comes into play when a person claims himself to be the proprietor of several trademarks in respect of the same or similar goods or services or description of goods or services which resemble each other in material particulars, but differ in respect of –

- a) Statement of goods or services in relation to which they are respectively used or proposed to be used; or
- b) Statement of number, price, quality, or names of places; or
- c) Other matter of a non – distinctive character which does not substantially affect the identity of the trademark; or
- d) Colour

When registration of such trademarks is sought, they may be registered as series in one registration.

5.10 Registration of trademarks as associated trademarks – Section 16

This section comes into play when resembling trademarks are sought to be registered by a single proprietor. The section says that when a trademark is registered or is the subject of an application for registration in respect of any goods or services identical with another trademark which is the registered or is the subject of an application for registration in the name of the same proprietor in respect of the same goods or services or description of goods or services or so nearly resemble it as to be likely to deceive or cause confusion if used by a person other than the proprietor, the registrar may, at any time, require that the trademarks are to entered on the register as associated trademarks.

Sub – section (2) makes this provision applicable when there is identity or near resemblance f marks that are registered, or are the subject of an application for registration. In the name of the same proprietor in respect of goods and services that are associated with those goods or goods of that description and with those services or services of that description.

Where a trademark or any part of it are registered under section 15 as separate trademarks in the name of same proprietor, they are taken to be as associated trademarks and have to be registered as such, as per sub-section (3).

Similarly all trademarks registered under section 15 as a series in one registration are to be taken and registered as associated trademarks, as per sub-section (4).

The question was whether the registration of the mark for sub species of a class would be entitled to registration for other species of the class. The court said that merely because the respondents has registered the mark “Jolen” in respect of toothpaste and perfumery, it did not automatically mean that they were entitled to registration of the same mark for cosmetics as well.

5.11 Procedural aspects of Registration

Section 18 provides for application for registration. A person who claims to be the proprietor of a trademark which is he using or proposes to use and if he desirous of getting it registered, he may file an application. The application in writing has to be filed with the Registrar in the prescribed manner.

A single application can be made for registration of a trademark for different classes of goods and services. The fee payable has to be in respect of each classes of goods or services, as per the requirement of sub – section (2).

The application has to be filed in the office of the trademark registry within whose territorial limits the principal place of business in India of the applicant is situate. In the case of joint applicants, the first mentioned applicant’s place of business will count for jurisdiction.

Withdrawal of acceptance – Section 19

The registrar can withdraw his acceptance before registration on being satisfied that –

- a) The application has been accepted in error, or
- b) In the particular case, the trademark should or should not be registered subject to conditions or limitations in addition to or different from those subject to which the application has been accepted. The applicant has to be heard, if he so desires.

Advertisement of application – Section 20

After an application has been accepted with or without any conditions or limitations, the Registrar has to cause the application to be advertised in a prescribed manner. The advertisement must mention the conditions and limitations subject to which the application has been accepted.

The Registrar, in case of exceptional circumstances, may cause the application to be advertised even before acceptance.

If any corrections in the application have been permitted to be made in the application after advertisement, the Registrar may cause the application to be readvertised.

Opposition to Registration – Section 21

Any person may give a notice to the registrar, of his opposition to registration. Such notice must be in writing and must be in the prescribed manner, accompanied by the prescribed fee. Such application must be made within three months from the date of advertisement or readvertisement of application.

The registrar has to serve a copy of the notice on the applicant. The applicant, within two months from the receipt of the notice, has to send to the registrar, a counter statement containing the grounds on which he relies for his application, in the prescribed manner. If he fails to do so, his application shall be deemed to be abandoned. If the applicant sends a counter statement, the registrar has to serve a copy of it on the person opposing the application.

The evidence on which the applicant relies must also be submitted in the prescribed manner and in the prescribed time. The registrar must consider the evidence submitted and hear the parties if they so desire and decide the conditions and limitations, if any, subject to which the application is to be allowed.

Correction and Amendment – Section 22

The registrar can permit correction of any error in or amendment of the application on such terms as he thinks fit. He may do so at any time, whether before or after the acceptance of the application for registration under section 18.

Registration – Section 23

When an application for registration of a trademark has been accepted and either there has been no opposition or the time for opposition has elapsed, or inspite of opposition, the registrar ruled in favour of the applicant, the registrar may register the trademark unless the Central Government directs otherwise. If the trademark is registered, the date of making the application is deemed to be the date of registration. On registration of trademark, the registrar has to issue to the applicant a certificate of registration in the prescribed form along with the seal of the Trademark Registry.

Where, due to the fault of the applicant, the process of registration has not been completed within 12 months from the date of making the application, the registrar may give him a notice specifying the time in which the process must be completed.

Jointly owned trademarks – Section 24

The Act does not authorise registration of two or more persons who use a trademark independently or propose to so use it as joint proprietors. The circumstances in which joint proprietorship may be allowed are mentioned in sub-section (2). It provides that where relations between two or more persons interested in a trademark are such that none of them is entitled to use the trademark except on behalf of both or all of them, or in relation to goods or services, with which both or all of them are connected in the course of trade, such persons may be registered as joint proprietors of the trademark.

Duration, renewal, removal and restoration of registration – Section 25

The duration of registration of a trademark is for a period of 10 years. The same may be renewed from time to time. An application for renewal has to be made by the proprietor in the prescribed manner and within the prescribed period, coupled with the prescribed fee. The registrar may then renew the registration for a period of 10 years from the date of expiration of the date of the original registration or of the last renewal.

At the prescribed time before expiration of the last registration, the Registrar has to send a notice in the prescribed form to the proprietor, informing him about the date of expiration and the conditions as to the payment of fees for renewal. If before the expiration, the requirements for the renewal have not been complied with, the

Registrar may remove the trademark from the register. However, the registrar is not to remove the trademark from the register if an application is made within 6 months from the date of last expiration. The application has to be on a prescribed form accompanied with prescribed surcharge.

If the trademark has been removed from the register, a latitude of 1 year is given. Within 6 months after such one year, the proprietor may make an application in the prescribed form and on payment of the prescribed fee. If the registrar is satisfied, he may restore the trademark to the register and renew the registration with or without any conditions or limitations, he deems necessary. The renewal would be for a period of 10 years. Only the proprietor or the licensed user can apply for renewal of the trademark.

Effect of removal from register for failure to pay renewal fee – Section 26

The removal of a trademark from the register for non payment of renewal fee does not wipe out its existence altogether. For the purposes of defeating any application for registration of another trademark, the expired trademark is deemed to remain on the register during one year next after removal from the register, unless the tribunal is satisfied that –

- a) There has been no bona fide trade use of the trademark which has been removed during the two years immediately preceding the removal; or
- b) No deception or confusion would be likely to arise from the use of the trademark which is the subject of the application for registration by reason of any previous use of the trademark which has been removed.

1.11 Conclusion

The trademarks in order to obtain any right under the Trademarks Act, 1999 requires to be registered. Hence, registration is necessary to invoke proceedings for infringement in addition to the common law remedy of passing off. The procedure lays down the steps for registration, amendment, duration, removal and correction aspects. Once registered it appears on the trademark register along with the class of goods and services for which it has been registered. Though marks which are distinctive and capable of graphical representation are registrable. However, there

are absolute and relative grounds which act as bars to registration. Absolute ground refers to something inherently lacking in the mark or for policy reasons. While the relative grounds apply because the right if granted would be inconsistent with some other right.

5.12 Self-Assessment

1. What is the appropriate office to apply for trademark registration?
2. What is the difference between absolute and relative grounds for refusal of registration?
3. What do you understand by the secondary meaning? Explain, using illustrative decided cases.
4. What are the documents that are open and not open to public inspection?
5. Enumerate the particulars of the trademark journal.
6. What is honest concurrent use?
7. Discuss the effect of renewal.
8. What are the prohibitions upon registration given under the Trademarks Act, 1999?
9. What are the factors for determination of a well-known trademarks?

5.13 Further readings

1. Indian patent office website
2. www.wipo.int
3. Jeremy Philips, Trademark Law, Oxford
4. Avtar Singh, Intellectual Property Rights, Eastern Book Company.
5. P. Narayanan, Trademarks and Passing Off, Eastern Law House.

Unit-6

Effect of Registration, Duration and Revival of trademarks

Objectives

After going through this unit, the student should be able to understand

- The effect of Registration of Trademarks;
- The duration or time period of Trademarks;
- Can there be revival of trademarks.

Structure

- 6.1 Introduction
- 6.2 Effect of registration of trademarks
- 6.3 The duration or time period of Trademarks
- 6.4 Revival of trademarks
- 6.5 Conclusion
- 6.6 Summary
- 6.7 Self-assessment test
- 6.8 Suggested readings

6.1 Introduction

In recent times, Trademarks has become symbol of intellectual property. Thus it become very important for everyone to know that what the effect of Registration of Trademarks is; and how long duration of Trademarks can be; can there be revival of trademarks.

Trademarks are visual symbols in the form of a word or a device or a label usually applied to articles of commercial nature with a view to indicate to the purchasing by public that a good manufactured or dealt in by a particular person is distinguished from similar goods dealt or manufacture by other persons.

6.2 Effect of registration of trademarks

Trademarks give Exclusive Property Rights. A trademark right is not a relative right or a claim right against a particular person, but is an exclusive right effective against the general public. A trademark right is an "absolute right that is similar to a real right in nature." (It is a "quasi-real right" because its subject is intangible property). It carries with it exclusivity; it is a right to exclusively use a particular trademark on particular designated goods. According to Ono, a trademark right protects the connection between the mark and its designated goods or services. The purpose is not to exclusively control a two-dimensional mark, but to protect the reputation represented by the mark (connective function) (Ono, "Unfair Competition Prevention Law", Hara Taikan (retirement) (Second volume), p. 953).

A trademark right is not a personal right connected to the specific status of an individual though it does have proprietary value. It may also be transferred or assigned. As a result, it is considered a "property right." Furthermore, because a trademark right is used with respect to intangible property, exclusive possession of a registered trademark with respect to designated goods or services, it falls under the category of "intangible property right."

Definition or Meaning of Trademark Registration

A trademark right commences when the mark to be used is registered. This "registration for establishment" is a registration ex officio. By virtue of registration, a trademark is established. Registration of a trademark is also a "condition for entry into force", "condition for continuance" and "condition for prevailing against a third party." Trademark registration is one of the "actions for establishing rights" included in administrative dispositions.

The owner of a trademark right shall "have an exclusive right to use the registered trademark with respect to the designated goods or designated services. The owner of a trademark has such "exclusive right" in order to protect the accrued

The owner of a trademark right shall "have an exclusive right to use the registered trademark with respect to the designated goods or designated services. The owner of a trademark has such "exclusive right" in order to protect the accrued reputation with respect to designated goods or services and is entitled to take civil or criminal proceedings against any person infringing his or her right.

The effects of a trademark right extend throughout the country, but not beyond the territory (for example, Japan) within which the Trademark Law is enforced. The trademark rights in each country are independent.

The practical content of a trademark right is derived from the purposes of the Trademark Law. The protection of a trademark right refers primarily to the protection of the function of a registered trademark. It is based on a balance between the protection of the owner of a trademark right and the protection of consumers. Accordingly, the infringement of a trademark right should not be limited to "an act to affix the registered trademarks of another without limitation." Instead, it should be defined as an act that impairs a function of a registered trademark. (Presumption, etc. of amount of damages) of the Trademark Law, only the term "infringement of a trademark right," appears without definition. The definition of which acts are to be regarded as infringement depends on the interpretation of the particular circumstances of each case. (Such instances include a case of concurrent import of genuine products which is an infringement as a matter of form but is not considered to be an infringement, and removal of trademarks without permission which is deemed legitimate if an infringement is limited to an infringing person's act to affix registered trademarks without limitation.)

II. Active Effects

1. Scope of a Right to Use (and the Right to Prohibit Others from Using)

The right of trademark is an exclusive right to use a registered trademark (or any trademark identical to the trademark) with respect to the designated goods or designated services (or any goods or services identical to the designated goods or services). This is known as the "right of use"(active effects).

The scope of a right to use is limited to a "registered trademark" (or any identical trademark). It is, however, unreasonable to interpret that "identical" means "exactly identical" in this case. "Identical trademark" is interpreted to be a trademark which is regarded to be generally accepted as identical. (As recognized by precedent, or by a commonly accepted idea. See, for example, Toyosaki p. 393).

The owner of a trademark may prohibit a third party from using a registered trademark or a similar trademark with respect to the designated goods or services, or from using a registered trademark or a similar trademark with respect to the

designated goods or services or any goods or services similar to the designated goods or services. This is known as the prohibitive right (negative effects) discussed in the Trademark Law. Third parties can freely use the trademark so long as the use does not enter the scope of the prohibitive right, which allows the owner of the trademark to prohibit any other use of the trademark that is in the scope of the prohibitive right. The prohibitive right provides for civil and criminal penalties under the law for offenses of trademark infringement. Although the scope of the prohibitive rights is typically defined, there are cases where disputes have arisen regarding the scope of the rights. Under one Supreme Court case (the case of Kozozushi), the similarity of the marks contradicted the findings of confusion making the scope of the prohibitive right relative and variable. Under the former "associated trademark system" (Section 7 of the former Trademark Law), the registration of similar trademarks was required to receive the protection of the prohibitive right. Lawsuits involving the scope of a prohibitive right became even more difficult due to the abolition of this system.

2. Effects of Right of Use and Prohibitive Right

The owner of a trademark right has an exclusive right to use the registered trademark with respect to the designated goods or services (Section 25). The owner of a trademark has a right to use trademarks without interference from others (right of use) as well as a right to prohibit others from using his trademarks (prohibitive right). The former right serves to ensure stable use of trademarks, which is a key point of the trademark system based on the registration principle, while the latter right serves to support the exclusiveness intrinsic to industrial property rights.

The owner of a trademark may continue to use his own registered trademark that falls within the scope of similarity of another person's trademark without interference from the exercise of a prohibitive right by others until his trademark registration is officially invalidated (except where the use conflicts with any right of others or the owner is abusing his right). The owner of the trademark will not be required to discontinue the use of his trademark, if he uses it within the scope of his right of use, unless the use of the trademark conflicts with any right of others or is deemed to be abusive. According to Article 6 of the Unfair Competition Prevention Law (prior to revision) any exercise of a trademark right was not regarded as violation of the Unfair Competition Prevention Law. This legislation was based in part on the idea

that any trademark right should be respected because it was granted by the nation through a due examination process. It was also based on the reality that when a trademark is registered without awareness of the existence of a well-known trademark, the Unfair Competition Prevention Law may be applied after the registration is invalidated under the Trademark Law (trial for invalidation).

The purpose of the prohibitive right is to protect the business reputation of the owner of a trademark right. Therefore, in a case where a person other than the trademark owner imports and sells a genuine product, the act will not be deemed to be an infringement unless it degrades the reputation of the owner. This is because the act will not change the quality of the product nor impair the function of the trademark in any way. However, if the act is likely to impair the reputation of the trademark owner (such as erroneous evaluation of the quality), it will be regarded as an infringement of the trademark.⁷¹

Chapter Four of The Trademarks Act, 1999 states the effect of trademarks registration as under.

Section 27 - No action for infringement of unregistered mark

No person shall be entitled to institute any proceeding to prevent, or to recover damages for, the infringement of an unregistered trademark.

(2) Nothing in this Act shall be deemed to affect rights of action against any person for passing off goods or services as the goods of another person or as services provided by another person, or the remedies in respect thereof.

Section 28 - Rights conferred by registration

(1) Subject to the other provisions of this Act, the registration of a trademark shall, if valid, give to the registered proprietor of the trademark the exclusive right to the use of the trademark in relation to the goods or services in respect of which the trademark is registered and to obtain relief in respect of infringement of the trademark in the manner provided by this Act.

(2) The exclusive right to the use of a trademark given under sub-section (1) shall be subject to any conditions and limitations to which the registration is subject.

(3) Where two or more persons are registered proprietors of trademarks, which are identical with or nearly resemble each other, the exclusive right to the use of any of

⁷¹ <http://www.iip.or.jp/translation/ono/ch7.pdf>

those trademarks shall not (except so far as their respective rights are subject to any conditions or limitations entered on the register) be deemed to have been acquired by any one of those persons as against any other of those persons merely by registration of the trademarks but each of those persons has otherwise the same rights as against other persons (not being registered users using by way of permitted use) as he would have if he were the sole registered proprietor.

Section 29 - Infringement of registered trademarks

(1) A registered trademark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which is identical with, or deceptively similar to, the trademark in relation to goods or services in respect of which the trademark is registered and in such manner as to render the use of the mark likely to be taken as being used as a trademark.

(2) A registered trademark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which because of--

(a) its identity with the registered trademark and the similarity of the goods or services covered by such registered trademark; or

(b) its similarity to the registered trademark and the identity or similarity of the goods or services covered by such registered trademark; or

(c) its identity with the registered trademark and the identity of the goods or services covered by such registered trademark,
is likely to cause confusion on the part of the public, or which is likely to have an association with the registered trademark.

(3) In any case falling under clause (c) of sub-section (2), the court shall presume that it is likely to cause confusion on the part of the public.

(4) A registered trademark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which--

(a) is identical with or similar to the registered trademark; and

(b) is used in relation to goods or services which are not similar to those for which the trademark is registered; and

(c) the registered trademark has a reputation in India and the use of the mark without due cause takes unfair advantage of or is detrimental to, the distinctive character or repute of the registered trademark.

(5) A registered trademark is infringed by a person if he uses such registered trademark, as his trade name or part of his trade name, or name of his business concern or part of the name, of his business concern dealing in goods or services in respect of which the trademark is registered.

(6) For the purposes of this section, a person uses a registered mark, if, in particular, he--

(a) affixes it to goods or the packaging thereof;

(b) offers or exposes goods for sale, puts them on the market, or stocks them for those purposes under the registered trademark, or offers or supplies services under the registered trademark;

(c) imports or exports goods under the mark; or

(d) uses the registered trademark on business papers or in advertising.

(7) A registered trademark is infringed by a person who 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, provided such person, when he applied the mark, knew or had reason to believe that the application of the mark was not duly authorised by the proprietor or a licensee.

(8) A registered trademark is infringed by any advertising of that trademark if such advertising--

(a) takes unfair advantage of and is contrary to honest practices in industrial or commercial matters; or

(b) is detrimental to its distinctive character; or

(c) is against the reputation of the trademark.

(9) Where the distinctive elements of a registered trademark consist of or include words, the trademark may be infringed by the spoken use of those words as well as by their visual representation and reference in this section to the use of a mark shall be construed accordingly.

Section 30 - Limits on effect of registered trademark

(1) Nothing in section 29 shall be construed as preventing the use of a registered trademark by any person for the purposes of identifying goods or services as those of the proprietor provided the use--

(a) is in accordance with honest practices in industrial or commercial matters, and

(b) is not such as to take unfair advantage of or be detrimental to the distinctive character or repute of the trademark.

(2) A registered trademark is not infringed where--

(a) the use in relation to goods or services indicates the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services or other characteristics of goods or services;

(b) a trademark is registered subject to any conditions or limitations, the use of the trademark in any manner in relation to goods to be sold or otherwise traded in, in any place, or in relation to goods to be exported to any market or in relation to services for use or available or acceptance in any place or country outside India or in any other circumstances, to which, having regard to those conditions or limitations, the registration does not extend;

(c) the use by a person of a trademark--

(i) in relation to goods connected in the course of trade with the proprietor or a registered user of the trademark if, as to those goods or a bulk or which they form part, the registered proprietor or the registered user conforming to the permitted use has applied the trademark and has not subsequently removed or obliterated it, or has at any time expressly or impliedly consented to the use of the trademark; or

(ii) in relation to services to which the proprietor of such mark or of a registered user conforming to the permitted use has applied the mark, where the purpose and effect of the use of the mark is to indicate, in accordance with the fact, that those services have been performed by the proprietor or a registered user of the mark;

(d) the use of a trademark by a person in relation to goods adapted to form part of, or to be accessory to, other goods or services in relation to which the trademark has been used without infringement of the right given by registration under this Act or might for the time being be so used, if the use of the trademark is reasonably necessary in order to indicate that the goods or services are so adapted, and neither the purpose nor the effect of the use of the trademark is to indicate, otherwise than in

accordance with the fact, a connection in the course of trade between any person and the goods or services, as the case may be;

(e) the use of a registered trademark, being one of two or more trademarks registered under this Act which are identical or nearly resemble each other, in exercise of the right to the use of that trademark given by registration under this Act.

(3) Where the goods bearing a registered trademark are lawfully acquired by a person, the sale of the goods in the market or otherwise dealing in those goods by that person or by a person claiming under or through him is not infringement of a trade by reason only of--

(a) the registered trademark having been assigned by the registered proprietor to some other person, after the acquisition of those goods; or

(b) the goods having been put on the market under the registered trademark by the proprietor or with his consent.

(4) Sub-section (3) shall not apply where there exists legitimate reasons for the proprietor to oppose further dealings in the goods in particular, where the condition of the goods, has been changed or impaired after they have been put on the market.

Section 31 - Registration to be prima facie evidence of validity.

(1) In all legal proceedings relating to a trademark registered under this Act (including applications under section 57), the original registration of the trademark and of all subsequent assignments and transmissions of the trademark shall be prima facie evidence of the validity thereof.

(2) In all legal proceedings as aforesaid a registered trademark shall not be held to be invalid on the ground that it was not a registrable trademark under section 9 except upon evidence of distinctiveness and that such evidence was not submitted to the Registrar before registration, if it is proved that the trademark had been so used by the registered proprietor or his predecessor in title as to have become distinctive at the date of registration.

Section 32 - Protection of registration on ground of distinctiveness in certain cases

Where a trademark is registered in breach of sub-section (1) of section 9, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration and before commencement of any legal proceedings challenging the validity of such registration, acquired a distinctive character in relation to the goods or services for which it is registered.

Section 33 - Effect of acquiescence

(1) Where the proprietor of an earlier trademark has acquiesced for a continuous period of five years in the use of a registered trademark, being aware of that use, he shall no longer be entitled on the basis of that earlier trademark--

(a) to apply for a declaration that the registration of the later trademark is invalid, or

(b) to oppose the use of the later trademark in relation to the goods or services in relation to which it has been so used,

unless the registration of the later trademark was not applied in good faith.

(2) Where sub-section (1) applies, the proprietor of the later trademark is not entitled to oppose the use of the earlier trademark, or as the case may be, the exploitation of the earlier right, notwithstanding that the earlier trademark may no longer be invoked against his later trademark.

Section 34 - Saving for vested rights

Nothing in this Act shall entitle the proprietor or a registered user of registered trademark to interfere with or restrain the use by any person of a trademark identical with or nearly resembling it in relation to goods or services in relation to which that person or a predecessor in title of his has continuously used that trademark from a date prior--

(a) to the use of the first-mentioned trademark in relation to those goods or services be the proprietor or a predecessor in title of his; or

(b) to the date of registration of the first-mentioned trademark in respect of those goods or services in the name of the proprietor or a predecessor in title of his; whichever is the earlier, and the Registrar shall not refuse (on such use being proved), to register the second mentioned trademark by reason only of the registration of the first mentioned trademark.

Section 35 - Saving for use of name, address or description of goods or services

Nothing in this Act shall entitle the proprietor or a registered user of a registered trademark to interfere with any bona fide use by a person of his own name or that of his place of business, or of the name, or of the name of the place of business, of any of his predecessors in business, or the use by any person of any bona fide description of the character or quality of his goods or services.

Section 36 - Saving for words used as name or description of an article or substance or service

(1) The registration of a trademark shall not be deemed to have become invalid by reason only of any use after the date of the registration of any word or words which the trademark contains or of which it consists as the name or description of an article or substance or service:

Provided that, if it is proved either--

(a) that there is a well known and established use of the said word as the name or description of the article or substance or service by a person or persons carrying on trade therein, not being used in relation to goods or services connected in the course of trade with the proprietor or a registered user of the trademark or (in the case of a certification trademark) in relation to goods or services certified by the proprietor; or
(b) that the article or substance was formerly manufactured under a patent that a period of two years or more after the cesser of the patent has elapsed and that the said word is the only practicable name or description of the article or substance, the provisions of sub-section (2) shall apply.

(2) Where the facts mentioned in clause (a) or clause (b) of the proviso to sub-section (1) are proved with respect to any words, then,--

(a) for the purpose of any proceedings under section 57 if the trademark consists solely of such words, the registration of the trademark, so far as regards registration in respect of the article or substance in question or of any goods of the same description, or of the services or of any services of the same description, as the case requires, shall be deemed to be an entry wrongly remaining on the register;

(b) for the purposes of any other legal proceedings relating to the trademark,--

(i) if the trademark consists solely of such words, all rights of the proprietor under this Act or any other law to the use of the trademark; or

(ii) if the trademark contains such words and other matter, all such right of the proprietor to the use of such words,

in relation to the article or substance or to any goods of the same description, or to the service or to any services of the same description, as the case requires, shall be deemed to have ceased on the date on which the use mentioned in clause (a) of the proviso to subsection (1) first became well known and established or at the expiration of the period of two years mentioned in clause (b) of the said proviso.

6.3 The duration or time period of Trademarks

Section 25 of the Trademarks Act, 1999 state following provisions for duration, renewal, removal and restoration of registration:

(1) The registration of a trademark, after the commencement of this Act, shall be for a period of ten years, but may be renewed from time to time in accordance with the provisions of this section.

(2) The Registrar shall, on application made by the registered proprietor of a trademark in the prescribed manner and within the prescribed period and subject to payment of the prescribed fee, renew the registration of the trademark for a period of ten years from the date of expiration of the original registration or of the last renewal of registration, as the case may be (which date is in this section referred to as the expiration of the last registration).

(3) At the prescribed time before the expiration of the last registration of a trademark the Registrar shall send notice in the prescribed manner to the registered proprietor of the date of expiration and the conditions as to payment of fees and otherwise upon which a renewal of registration may be obtained, and, if at the expiration of the time prescribed in that behalf those conditions have not been duly complied with the Registrar may remove the trademark from the register:

Provided that the Registrar shall not remove the trademark from the register if an application is made in the prescribed form and the prescribed fee and surcharge is paid within six months from the expiration of the last registration of the trademark and shall renew the registration of the trademark for a period of ten years under subsection (2).

(4) Where a trademark has been removed from the register for non-payment of the prescribed fee, the Registrar shall, after six months and within one year from the expiration of the last registration of the trademark, on receipt of an application in the prescribed form and on payment of the prescribed fee, if satisfied that it is just so to do, restore the trademark to the register and renew the registration of the trademark either generally or subject to such conditions or limitations as he thinks fit to impose, for a period of ten years from the expiration of the last registration.

Federal trademark registration remains valid for 10 years after filing, with optional 10-year renewal periods. To maintain active registration, the owner must file a "Declaration of Use" between the fifth and sixth year following the initial

registration. If the declaration is not filed the registration is cancelled and cannot be reinstated. Owners wishing to renew registration must file for renewal within the last year of each term. The U.S. Patent and Trademark Office (USPTO) provides a six-month grace period for renewal, provided an additional fee is paid. If an owner fails to renew her registration, she must file a new registration application.⁷²

The period of validity of a registered trademark shall be ten years, counted from the date of approval of the registration. Where the registrant intends to continue to use the registered trademark beyond the expiration of the period of validity, an application for renewal of the registration shall be made within six months before the said expiration. The period of validity of each renewal of registration shall be ten years. Where no application therefore has been filed within the said period, a grace period of six months may be allowed. If no application has been filed at the expiration the grace period, the registered trademark shall be cancelled.⁷³

THE DURATION OF A TRADEMARK IN INDIA

Term of registration of a trademark is ten years, which may be renewed for a further period of ten years on payment of prescribed renewal fees. Non-user of a registered trademark for a continuous period of five years is a ground for cancellation of registration of such trademark at the behest of any aggrieved party.

6.4 Revival of trademarks

There are three methods to revive trademarks:

1. Reviving Your Own Abandoned Trademark : if time period is not expired start using it. Owner should has legal rights relating to that trademark.
2. Reviving Another's Abandoned Trademark: If you are seeking to revive a trademark someone else initially registered, but has since fallen out of use, your first step should be to determine the current status of that trademark. You should search this information to determine if the trademark you wish to revive is still in use or not.
 - If you plan to use the trademark internationally, you will also want to conduct a global search for the trademark to determine its status in countries other than the United States.

⁷² <http://info.legalzoom.com/trademarks-duration-23713.html>

⁷³ <http://www.lungtin.com/content/2011/11-09/161529440.html>

- If the trademark is still active, you will not be able to use it unless you acquire the rights from the current owner.

3. Reviving a Trademark that Has Become Generic or Was Improperly Licensed⁷⁴: Unlike abandonment, which can potentially be cured simply by re-applying for a trademark or beginning to use it again, if your trademark rights were lost because of improper licensing/assignment or because the mark has become generic, you will likely need to go to court and have a judge decide whether or not your trademark is still protected. The driving force behind trademark law is to protect the word, symbol, phrase, etc. that identifies the owner or producer of a particular good or service in the eyes of the public. Therefore, if your trademark no longer serves as a method for the public to associate your goods or services uniquely with you, you will likely need to look for a new trademark.

- If you license or assign your trademark to a third party without controlling how that third party will use your trademark (i.e., not overseeing the type or quality of the goods/services offered under your assigned/licensed trademark), it is possible to lose the rights to your trademark.

4. If your trademark becomes generic—for example, the public uses your trademarked term to refer to all types of similar products instead of the ones that are uniquely yours—you can also lose the rights to your trademark. Some examples of this are the terms "escalator" and "cellophane." These used to be trademarked, but after consumers began to use these terms generically to refer to similar products, these trademarks were no longer protected for the exclusive use of their original manufacturers.

6.5 Conclusion:

Effect of registration of trademarks is that owner start using it to protect his right. It prohibit others to use that trademark. In case of violation of trademarks person making encroachment will be punished according to the Law.

6.6 Self-assessment test

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1. What is the effect of registration of trademark?
 2. What is the normal duration of the trademark?

⁷⁴ <http://www.wikihow.com/Revive-a-Dead-Trademark>

3. Can revival of trademark done? What precaution one take during revival of the trademark?

6.7 Suggested readings:

1. <http://www.iip.or.jp/translation/ono/ch7.pdf>
2. <http://info.legalzoom.com/trademarks-duration-23713.html>
3. <http://www.lungtin.com/content/2011/11-09/161529440.html>
4. <http://www.wikihow.com/Revive-a-Dead-Trademark>
5. Avtar Singh, Intellectual Property Rights, Eastern Book Company.
6. P. Narayanan, Trademarks and Passing Off, Eastern Law House.

Unit – 7

Use of Trademarks and Rights of Registered Users

Objectives

After going through this unit, the student should be able to understand

- Uses of the trademarks;
- Rights of the Registered Users of a trademark.

Structure

- 7.1 Introduction
- 7.2 Uses of the trademarks
- 7.3 Rights of the Registered Users of a trademark
- 7.4 Conclusion and Summary
- 7.5 Self-assessment test
- 7.6 Suggested readings

7.1 Introduction

The primary purpose of the trademark laws is to prevent unfair competition by applying a test of consumer confusion and providing rights and remedies to the owner of the trademark.

The test for consumer confusion is to assure that the consumer can be confident that when buying a product or service bearing a particular trademark the product or service expected is actually delivered. In other words, the consumer relies on a standard of quality established by the association of the trademark in the marketplace with the owner's product or service.

If the owner of a trademark has spent time and money in presenting a service or product to the consumer, the owner should be able to protect this investment by being allowed to prevent others from using the trademark and profiting from the owner's investment. The value of the trademark is determined by the strength, or goodwill, of the association between the trademark and its source, and it is the consumer who determines this value.

Although the trademark identifies the source of the product or service, that source can be the manufacturing source, the selling source, or in case of universities, the source of sponsorship or authorization.⁷⁵

There are some uses of trademarks and also some rights attached to it. Which are explained here?

7.2 Uses of the Trademarks

⁷⁵ <http://www.trademark.iastate.edu/basics>

How to use a trademark properly?

Always distinguish a trademark from surrounding text by using it in all capital letters (or, at least, with initial capitals); by using it in a bold, italic or underlined font; by placing it within double quotation marks (" "); or by using it in a stylized or graphic form that differs from the surrounding text. If the trademark is registered, use the superscript ® symbol or other appropriate registration notice.

EXAMPLES:

- ROLLS-ROYCE automobiles
- **Scotch** brand transparent tape
- Kleenex TM tissues
- •“adidas” footwear
- Canon® cameras

ALWAYS use the trademark consistently, including with or without spacing and/or hyphens.

EXAMPLES:

- MONTBLANC fountain pen, not MONT BLANC
- NESCAFÉ coffee, not NES CAFÉ

NEVER use a trademark as a noun. Always use a trademark as an adjective modifying a noun.

EXAMPLES:

- LEGO toy blocks
- AMSTEL beer

NEVER use a trademark as a verb.

EXAMPLES:

- You are NOT xeroxing; rather, you are photocopying on a XEROX copier.
- You are NOT rollerblading; rather, you are skating with ROLLERBLADE in-line skates.

NEVER modify a trademark by changing it to the plural form.

EXAMPLES

- “tic tac” candies, not “tic tacs”
- OREO cookies, not OREOS

NEVER use a trademark in the possessive form unless the trademark itself is possessive.

EXAMPLES:

- JACK DANIEL'S whiskey, not JACK DANIELS whiskey
- LEVI'S jeans, not LEVI jeans

You can use the trademarks of others in this manner.

Usually it is permissible to use another person's or company's trademark or service mark when referring to a product or service of that person or company, provided it is clear that the mark is being used truthfully to refer to that specific product or service. It may not be used in a way that might mislead others as to that person's or company's affiliation with, sponsorship of or endorsement of your company or its products or services—for example, using a logo instead of simply the word form of the mark, or using the mark more prominently or frequently than necessary.

There are some restrictions on the use of trademarks.

The laws of many countries prohibit the registration of marks comprising their flags or national symbols, as well as those of other nations. Many countries also have restrictions on the use of marks associated with their political leaders and on marks of certain organizations or semiprivate governmental agencies, such as the Olympics, the Red Cross and the United States Postal Service.⁷⁶

7.3 Rights of the Registered Users of a Trademark

⁷⁷As the owner of a registered trademark you:

- have the exclusive right to use your trademark as a brand name for the goods or services specified in the registration.

have the exclusive right to authorize other people to use your trademark for the goods or services specified in the registration.

- have the right to sell your trademark.
- have a registration that usually covers the whole of the Commonwealth of Australia

may give the Australian customs service a notice objecting to goods that infringe your registered trademark being imported

- can be in a stronger position to stop other people from using your trademark as their brand name on the same or similar goods or services.

⁷⁶ <http://www.inta.org/TrademarkBasics/FactSheets/Pages/TrademarkUseFactSheet.aspx>

⁷⁷ <http://www.ipaustralia.gov.au/get-the-right-ip/trade-marks/trade-mark-basics/benefits-of-trade-marks/>

Find out how having a registered trademark can benefit your business in our case study - IP rights in a business name.⁷⁸

According to the USPTO, registered trademarks provide advantages, such as:

- constructive notice to the public of the registrant's claim of ownership of the mark;
- a legal presumption of the registrant's ownership of the mark and the registrant's exclusive right to use the mark nationwide on or in connection with the goods and/or services listed in the registration;
- the ability to bring action concerning the mark in federal court;
- the use of the U.S. registration as a basis to obtain registration in foreign countries; and
- the ability to file the U.S. registration with the U.S. Customs Service to prevent importation of infringing foreign goods.⁷⁹

Trademark user normally may not register a trademark that bears resemblance to certain official marks unless you have the proper consent of the authority in question. These official designs include the following:

- official government designs, for example, the Canadian flag;
- coats of arms of the Royal Family;
- badges and crests such as those of the Armed Forces and the letters RCMP;
- emblems and names of the Red Cross, the Red Crescent, and the United Nations;
- armorial bearings, flags, and symbols of other countries; and
- symbols of provinces, municipalities, and public institutions.

Subject matter that is obscene, scandalous, or immoral is also prohibited. For example, your trademark may not include profane language, obscene visuals, or racial slurs.

Another prohibition applies to the use of portraits and signatures of living persons or of persons who have died within the preceding 30 years. For example, using the photo of an existing rock group to promote your record store would be prohibited unless you had formal consent to do so.

Trademarks rights must be maintained through actual lawful use of the trademark. These rights will cease if a mark is not actively used for a period of time, normally 10 years in most jurisdictions. In the case of a trademark registration, failure to

⁷⁸ <http://www.ipaustralia.gov.au/get-the-right-ip/trade-marks/trade-mark-basics/benefits-of-trade-marks/>

⁷⁹ https://ribbs.usps.gov/forms/documents/tech_guides/GUIDELINES_TO_TRADEMARK_USE.PDF

actively use the mark in the lawful course of trade, or to enforce the registration in the event of infringement, may also expose the registration itself to become liable for an application for the removal from the register after a certain period of time on the grounds of "non-use". It is not necessary for a trademark owner to take enforcement action against all infringement if it can be shown that the owner perceived the infringement to be minor and inconsequential. This is designed to prevent owners from continually being tied up in litigation for fear of cancellation. An owner can at any time commence action for infringement against a third party as long as it had not previously notified the third party of its discontent following third party use and then failed to take action within a reasonable period of time (called acquiescence). The owner can always reserve the right to take legal action until a court decides that the third party had gained notoriety which the owner 'must' have been aware of. It will be for the third party to prove their use of the mark is substantial as it is the onus of a company using a mark to check they are not infringing previously registered rights. In the US, owing to the overwhelming number of unregistered rights, trademark applicants are advised to perform searches not just of the trademark register but of local business directories and relevant trade press. Specialized search companies perform such tasks prior to application.

All jurisdictions with a mature trademark registration system provide a mechanism for removal in the event of such *non use*, which is usually a period of either three or five years. The intention to use a trademark can be proven by a wide range of acts as shown in the "Woolly Bull" and *Aston v Harlee* cases.

In the U.S., failure to use a trademark for this period of time will result in *abandonment* of the mark, whereby any party may use the mark. An abandoned mark is not irrevocably in the public domain, but may instead be re-registered by any party which has re-established exclusive and active use, and must be associated or linked with the original mark owner. A mark is registered in conjunction with a description of a specific type of goods, and if the party uses the mark but in conjunction with a different type of goods, the mark may still be considered abandoned, as was the case in *Lens.com, Inc. v. 1-800 Contacts, Inc.*. If a court rules that a trademark has become "generic" through common use (such that the mark no longer performs the essential trademark function and the average consumer no longer considers that exclusive rights attach to it), the corresponding registration may also be ruled invalid.

Unlike other forms of intellectual property (e.g., patents and copyrights) a registered trademark can, theoretically, last forever. So long as a trademark's use is continuous a trademark holder may keep the mark registered with the U.S. Patent and Trademark Office by filing Section 8 Affidavit(s) of Continuous Use as well as Section 9 Applications for renewal, as required.

Specifically, once registered with the U.S. Patent and Trademark Office the owner of a trademark is required to file a Section 8 Affidavit of Continuous Use to maintain the registration between the 5th and 6th year anniversaries of the registration of the mark or during the 6-month grace period following the 6th-year anniversary of the registration. During this period, a trademark owner may concurrently opt to file a Section 15, Declaration of Incontestability. A mark declared incontestable is immune from future challenge, except in instances where the mark becomes generic, the mark is abandoned, or if the registration was acquired fraudulently. Note, if the Section 8 Affidavit is filed during the 6-month grace period additional fees to file the Affidavit with the U.S. Patent and Trademark Office will apply.

In addition to requirement above, U.S. trademark registrations are also required to be renewed on or about every 10-year anniversary of the registration of the trademark. The procedure for 10-year renewals is somewhat different from that for the 5th-6th year renewal. In brief, registrants are required to file both a Section 8 Affidavit of Continuous Use as well as a Section 9 Application for Renewal every ten years to maintain their registration.

The inherent limitations of the territorial application of trademark laws have been mitigated by various intellectual property treaties, foremost amongst which is the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights. TRIPS establishes legal compatibility between member jurisdictions by requiring the harmonization of applicable laws. For example, Article 15(1) of TRIPS provides a definition for "sign" which is used as or forms part of the definition of "trademark" in the trademark legislation of many jurisdictions around the world.⁸⁰

Trademarks rights can be lost in following conditions:

The rights to a trademark can be lost through abandonment, improper licensing or assignment, or genericity. A trademark is abandoned when its use is discontinued with an intent not to resume its use. Such intent can be inferred from the circumstances. Moreover, non-use for three consecutive years is *prima facie*

⁸⁰ <https://en.wikipedia.org/wiki/Trademark>

evidence of abandonment. The basic idea is that trademark law only protects marks that are being used, and parties are not entitled to warehouse potentially useful marks. So, for example, a recent case held that the Los Angeles Dodgers had abandoned rights to the Brooklyn Dodgers trademark Major League Baseball Properties, Inc. v. Sed Non Olet Denarius, Ltd., 817 F. Supp. 1103 (S.D.N.Y. 1993). Trademark rights can also be lost through improper licensing or assignment. Where the use of a trademark is licensed (for example, to a franchisee) without adequate quality control or supervision by the trademark owner, that trademark will be canceled. Similarly, where the rights to a trademark are assigned to another party in gross, without the corresponding sale of any assets, the trademark will be canceled. The rationale for these rules is that, under these situations, the trademark no longer serves its purpose of identifying the goods of a particular provider. Dawn Donut Co., Inc. v. Hart's Food Stores, Inc., 267 F.2d 358 (2d Cir. 1959).

Trademark rights can also be lost through genericity. Sometimes, trademarks that are originally distinctive can become generic over time, thereby losing its trademark protection Kellogg Co. v. National Biscuit Co., 305 U.S. 111 (1938). A word will be considered generic when, in the minds of a substantial majority of the public, the word denotes a broad genus or type of product and not a specific source or manufacturer. So, for example, the term "thermos" has become a generic term and is no longer entitled to trademark protection. Although it once denoted a specific manufacturer, the term now stands for the general type of product. Similarly, both "aspirin" and "cellophane" have been held to be generic. Bayer Co. v. United Drug Co., 272 F.505 (S.D.N.Y. 1921). In deciding whether a term is generic, courts will often look to dictionary definitions, the use of the term in newspapers and magazines, and any evidence of attempts by the trademark owner to police its mark.⁸¹

The dilution of trademark can be done in following way and conditions:

In addition to bringing an action for infringement, owners of trademarks can also bring an action for trademark dilution under either federal or state law. Under federal law, a dilution claim can be brought only if the mark is "famous." In deciding whether a mark is famous, the courts will look to the following factors: (1) the degree of inherent or acquired distinctiveness; (2) the duration and extent of use; (3) the amount of advertising and publicity; (4) the geographic extent of the market; (5)

⁸¹ <https://cyber.law.harvard.edu/metaschool/fisher/domain/tm.htm#6>

the channels of trade; (6) the degree of recognition in trading areas; (7) any use of similar marks by third parties; (8) whether the mark is registered. 15 U.S.C. § 1125(c). Kodak, Exxon, and Xerox are all examples of famous marks. Under state law, a mark need not be famous in order to give rise to a dilution claim. Instead, dilution is available if: (1) the mark has "selling power" or, in other words, a distinctive quality; and (2) the two marks are substantially similar. *Mead Data Central, Inc. v. Toyota Motor Sales, U.S.A., Inc.*, 875 F.2d 1026 (2d Cir. 1989).

Once the prerequisites for a dilution claim are satisfied, the owner of a mark can bring an action against any use of that mark that dilutes the distinctive quality of that mark, either through "blurring" or "tarnishment" of that mark; unlike an infringement claim, likelihood of confusion is not necessary. Blurring occurs when the power of the mark is weakened through its identification with dissimilar goods. For example, Kodak brand bicycles or Xerox brand cigarettes. Although neither example is likely to cause confusion among consumers, each dilutes the distinctive quality of the mark. Tarnishment occurs when the mark is cast in an unflattering light, typically through its association with inferior or unseemly products or services. So, for example, in a recent case, Toys R Us successfully brought a tarnishment claim against *adultsrus.com*, a pornographic web-site. *Toys "R" Us v. Akkaoui*, 40 U.S.P.Q.2d (BNA) 1836 (N.D. Cal. Oct. 29, 1996).

There is difference between trademark infringement or dilution. It can be understood as: Defendants in a trademark infringement or dilution claim can assert basically two types of affirmative defense: fair use or parody. Fair use occurs when a descriptive mark is used in good faith for its primary, rather than secondary, meaning, and no consumer confusion is likely to result. So, for example, a cereal manufacturer may be able to describe its cereal as consisting of "all bran," without infringing upon Kellogg's rights in the mark "All Bran." Such a use is purely descriptive, and does not invoke the secondary meaning of the mark. Similarly, in one case, a court held that the defendant's use of "fish fry" to describe a batter coating for fish was fair use and did not infringe upon the plaintiff's mark "Fish-Fri." *Zatarain's, Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786 (5th Cir. 1983). Such uses are privileged because they use the terms only in their purely descriptive sense.

Some courts have recognized a somewhat different, but closely-related, fair-use defense, called nominative use. Nominative use occurs when use of a term is necessary for purposes of identifying another producer's product, not the user's own product. For example, in a recent case, the newspaper USA Today ran a telephone poll, asking its readers to vote for their favorite member of the music group New Kids on the Block. The New Kids on the Block sued USA Today for trademark infringement. The court held that the use of the trademark "New Kids on the Block" was a privileged nominative use because: (1) the group was not readily identifiable without using the mark; (2) USA Today used only so much of the mark as reasonably necessary to identify it; and (3) there was no suggestion of endorsement or sponsorship by the group. The basic idea is that use of a trademark is sometimes necessary to identify and talk about another party's products and services. When the above conditions are met, such a use will be privileged. *New Kids on the Block v. News America Publishing, Inc.*, 971 F.2d 302 (9th Cir. 1992).

Finally, certain parodies of trademarks may be permissible if they are not too directly tied to commercial use. The basic idea here is that artistic and editorial parodies of trademarks serve a valuable critical function, and that this critical function is entitled to some degree of First Amendment protection. The courts have adopted different ways of incorporating such First Amendment interests into the analysis. For example, some courts have applied the general "likelihood of confusion" analysis, using the First Amendment as a factor in the analysis. Other courts have expressly balanced First Amendment considerations against the degree of likely confusion. Still other courts have held that the First Amendment effectively trumps trademark law, under certain circumstances. In general, however, the courts appear to be more sympathetic to the extent that parodies are less commercial, and less sympathetic to the extent that parodies involve commercial use of the mark.

So, for example, a risqué parody of an L.L. Bean magazine advertisement was found not to constitute infringement. *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26, 28 (1st Cir. 1987). Similarly, the use of a pig-like character named "Spa'am" in a Muppet movie was found not to violate Hormel's rights in the trademark

"Spam." *Hormel Foods Corp. v. Jim Henson Prods.*, 73 F.3d 497 (2d Cir. 1996). On the other hand, "Guccie Goo" diaper bags were found not to be protected under the parody defense *Gucci Shops, Inc. v. R.H. Macy & Co.*, 446 F. Supp. 838 (S.D.N.Y. 1977). Similarly, posters bearing the logo "Enjoy Cocaine" were found to violate the rights of Coca-Cola in the slogan "Enjoy Coca-Cola" *Coca-Cola Co. v. Gemini Rising, Inc.*, 346 F. Supp. 1183 (E.D.N.Y. 1972). Thus, although the courts recognize a parody defense, the precise contours of such a defense are difficult to outline with any precision.

The remedies for trademark infringement and/or dilution are:

Successful plaintiffs are entitled to a wide range of remedies under federal law. Such plaintiffs are routinely awarded injunctions against further infringing or diluting use of the trademark. 15 U.S.C. § 1116(a). In trademark infringement suits, monetary relief may also be available, including: (1) defendant's profits, (2) damages sustained by the plaintiff, and (3) the costs of the action. 15 U.S.C. § 1117(a). Damages may be trebled upon showing of bad faith. In trademark dilution suits, however, damages are available only if the defendant willfully traded on the plaintiff's goodwill in using the mark. Otherwise, plaintiffs in a dilution action are limited to injunctive relief. 15 U.S.C. § 1125(c).⁸²

For maximum benefits of trademark you should have a registered trademark. Now it's important to keep your trademark protected from infringement or removal. Managing your trademark helps you maximize benefits, commercial advantage and ensures your trademark is protected. It is your responsibility to make sure your trademark is kept current by paying the appropriate renewal fees and making changes to your trademark as required.

A trademark registration may be renewed every ten years. There are fees for renewing your trademark. There is no limit to the number of times a registration may be renewed and any person may pay for the renewal.

For any amendments you may apply in writing to record changes in the details of your application or registration. Goods or services can't be extended and only very minor changes to the representation that do not substantially affect the identity of the trademark may be possible.

⁸² <https://cyber.law.harvard.edu/metaschool/fisher/domain/tm.htm#6>

Amendments (changes) need to be carefully considered to ensure they don't impact other parties. This is because shortly after a trademark application is filed, it is published in ATMOSS as a pending application. The database is publicly available and can be searched online by anyone. Some amendments need to be advertised in the Australian Official Journal of Trademarks to allow for opposition before being approved.

Following amendments shall be done after written application:

- changes to the name of the applicant
- changes to the address of the applicant
- changes to the address for service
- changes to the representation of trademark
- adding or deleting goods and services
- adding or transferring a class of goods and services
- adding or changing endorsements (other than translation endorsements)
- translation endorsements of non-English words and non-Roman characters.⁸³

Amendments after registration can include:

- correction of an office error
- future reclassification of goods or services
- change to the registered trademark as published (provided it does not affect the identity of the trademark)
- changes to the details as long as the changes don't extend the rights the owner of the trademark.
- changes to the certificate of registration after an amendment has been made.⁸⁴

7.4 Conclusion and Summary

Use of trademark for owner is to protect his interest. Owner has to take care to not to use official trademarks. He has the exclusive right to use your trademark as a brand name for the goods or services specified in the registration. Owner has the exclusive right to authorize other people to use your trademark for the goods or services specified in the registration. He has the right to sell his trademark.

Proper use of the trademark by the owner is also important to its protection. The quality of the goods and services must be maintained for consumer confidence and for strengthening the trademark. The owner should not weaken its own trademarks

⁸³ <http://www.ipaustralia.gov.au/get-the-right-ip/trade-marks/maintain-your-trade-mark/amending-your-trade-mark/>

⁸⁴ ibid

by using many alterations and blurring its distinctiveness. The more distinctive the trademark, the stronger would be the mark. The trademark owner can create a family of marks which keeps certain elements common among them. If these common elements become recognizable by the public as trademarks of the owner, then it is possible for the owner to have broader protection for other marks that incorporate in some of these same common elements.⁸⁵

7.5 Self-assessment test

1. What are the rights of the trademark user?
2. What is the use of trademark?

7.6 Suggested readings

1. Websites shown in the unit.
2. https://www.wto.org/english/docs_e/legal_e/legal_e.htm#TRIPs (text of TRIPS Agreement)
3. Avtar Singh, Intellectual Property Rights, Eastern Book Company.
4. P. Narayanan, Trademarks and Passing Off, Eastern Law House.

⁸⁵ <http://www.trademark.iastate.edu/basics>

Unit – 8

Transfer and Transmission of trademarks and Assignment under licensing

Objectives

After going through this unit, the student should be able to understand

- The effect of Registration of Trademarks;
- The duration or time period of Trademarks;
- Can there be revival of trademarks.

Structure

- 8.1 Introduction
- 8.2 Transfer of trademark and Transmission of trademark
- 8.3 Assignment under licensing
- 8.4 Conclusion and Summary
- 8.5 Self-assessment test
- 8.6 Suggested readings

8.1 Introduction

Trademarks may be one or a combination of words, sounds or designs used to distinguish the goods or services of one person or organization from those of others in the marketplace.

Trademarks come to represent not only the actual goods or services, but also the reputation, of the producer. As such, trademarks constitute valuable intellectual property.

There are three types of trademarks:

- **An ordinary mark** consists of words, sounds, designs, or a combination of these, used to distinguish the goods or services of one person or organization from those of others in the marketplace. For example, suppose you started a courier business that you chose to call Giddy-up. You could register these words as a

trademark (assuming all legal requirements were met) in regard to the service that you offer.

- **A certification mark** is used by an individual or organization and licensed to others for the purpose of identifying goods or services that meet a defined standard—for example, the Woolmark design, owned by Woolmark Americas Ltd., for use on clothing and other goods.
- **A distinguishing guise** comprises the shaping of goods or their containers, or a mode of wrapping or packaging goods, which distinguishes them as being produced by a specific individual or firm. For example, if you manufactured butterfly-shaped candy you could register the butterfly shape as a distinguishing guise.

People occasionally confuse trademarks with patents, industrial designs, copyright, and integrated circuit topographies. Although all of these are forms of intellectual property, they differ as follows:

- **trademarks** may be one or a combination of words, sounds or designs used to distinguish the goods or services of one person or organization from those of others in the marketplace;
- **patents** cover new inventions (process, machine, manufacture, composition of matter) and any new and useful improvement to an existing invention;
- **industrial designs** are the visual features of shape, configuration, pattern or ornament, or any combination of these features, applied to a finished article;
- **copyright** provides protection for literary, artistic, dramatic or musical works (including computer programs) and other subject-matter known as performer's performances, sound recordings and communication signals;
- **integrated circuit topographies** refer to the three-dimensional configurations of electronic circuits embodied in integrated circuit products or layout designs.

In the interest of owner trademark owners have been given transfer and transmission power.

The value of a trademark lies in the goodwill associated with that trademark. Goodwill is an intangible asset that provides added value to the trademark owner's worth (such as a recognizable brand). However, in many cases it can be quite difficult to ascertain the goodwill and then place a true value on it at a point in time, because of the many variables that must be considered. For example, reasonable people can differ on future expectations, such as opportunities for increasing the

value of the trademark and competitive threats and marketplace risks to the trademark.

Trademarks like any asset can be transferred from one owner to another. The transfers could be temporary through licensing or permanent through an assignment. Assignment of a trademark is a process in which the owner of the trademark transfers the ownership of the mark either with or without the goodwill of the business. In other words, it is transferring of proprietary rights in the property of the proprietor. The manners in which an assignment can be made are as follows:

8.2 Transfer of Trademark and Transmission of Trademark

Trademark is considered as property. Trademark Act has provisions for transferring of ownership of trademark. Because it is considered as property hence it can be transferred like any other property. It is because over a period of time trademark acquires goodwill and reputation in the market so the Act has provision for transfer of registered trademark by way of assignment and without goodwill.

Like any other contract assignment of trademark takes place for some consideration. The assignment of trademark clearly provides the extent of use of trademark. The assigner (Transferor) may set some conditions and limitations as to area and mode and trade channels etc. in which trademark can be used by assignee (transferee) and if agree assignee is bound by the terms and conditions laid down under the assignment deed.⁸⁶

The term used for the transferring of an owner's rights, title and interest in a trademark or service mark to another party is "trademark assignment." The transferring party, called the assignor, transfers its property rights in the mark to the receiving party, called the assignee.

An assignment of trademark rights can be either outright, in that it results in the total transfer of ownership of such rights from one entity to another, or, at least in some jurisdictions, partial, resulting in the transfer of only a portion of the trademark rights of a person or entity. Depending on the jurisdiction, partial assignments may be for a portion of the territory covered by the registration, or for only some of the goods and/or services covered by the registration.

The laws governing trademark assignments vary from one jurisdiction to another, but they can include the form an assignment must take, whether notarization is

⁸⁶ http://www.legalarcclawfirm.com/trademark-services/trademark-assignment/?gclid=COzL_I-J-cgCFcMIvAodEzABEQ

required, the type of consideration that must be expressed (if any), whether the goodwill of the mark must be transferred and whether the assignment must be recorded. The laws and regulations of each jurisdiction where a trademark exists should be reviewed before a trademark assignment is undertaken. Failure to comply with the requirements could lead to unanticipated tax consequences or result in the invalidation of the transfer. In some jurisdictions, trademark applications can be assigned.⁸⁷

8.3 Assignment under Licensing

Assignment or transmission of ownership of a trademark:

Trademarks like any asset can be transferred from one owner to another. The transfers could be temporary through licensing or permanent through an assignment. Assignment of a trademarks is a process in which the owner of the trademark transfers the ownership of the mark either with or without the goodwill of the business. In other words, it is transferring of proprietary rights in the property of the proprietor.

What is an 'assignment'?

A trademark owner may assign the ownership rights of a trademark to another party (individual or company).

An assignment or transmission may be full or partial. That is, it may apply to some or all of the goods and/or services of the trademark.

In order to assign or transmit the ownership or interest of a trademark you must advise us in writing by completing a request for full assignment or transmission of a trademark form. There is also a form for a request for partial ownership.

You must clearly identify the trademark number(s) being assigned and supply proof of title in documentary evidence. This evidence can be in the form of:

- a letter from the assignor (previous owner) requesting transfer of the trademark(s) to the assignee (new owner). The letter must be dated and include the signature of the assignor or another document that shows proof of title to the trademark. Examples include a deed of assignment, merger document, witnessed declaration or a probate document.

The following information **must** be included in any of the above forms of evidence:

- date
- full name and address of all parties/companies (old owner and new owner)

⁸⁷ <http://www.inta.org/TrademarkBasics/FactSheets/Pages/AssignmentsLicensesValuationFactSheet.aspx>

- signatures
- when signing for companies without a company seal, include position in the company (eg. director)
- trademark number(s) being transferred

Note: If there is more than one owner to the trademark being assigned, all owners must sign the transfer document.

The manners in which an assignment can be made are as follows:

- **Complete assignment of trademarks ;**

In a complete assignment, the owner of the trademark transfers all the rights with respect to the trademark, including the transfer of the rights such as right to further transfer, earn royalties, etc., to another entity.

For example, A, owner of “xyz”, sells his brand to another through an agreement to B. After this, A does not retain any rights with respect to “xyz”.

- **Partial assignment of trademarks ;**

In a partial assignment, the transfer of ownership is restricted to specific product or service only. The owner may retain the right to further transfer, to earn royalties etc. For example, A, owner of a tea and a biscuit brand, transfers proprietary rights only with respect to the tea brand and retains the rights over the biscuit brand, this is said to be a partial assignment.

- **Assignment with goodwill;**

This is an assignment where the owner transfers the rights and value of the trademark as associated with the product it sells;

For example, A, owner of “TH” trademark for manufacturing and selling of watches, can assign the trademark along with giving the assignee the right to use the said trademark for the same product.

- **Assignment without goodwill;**

This is an assignment where the owner restricts the assignee to use trademark for the products he uses it for. That is, the goodwill attached to the owner’s brand with respect to the product already being sold under such brand, is not transferred to the buyer. This means that assignor & assignee both can use the same trademark but in dissimilar goods or services.

For example, if the owner of the trademark “TH” uses it for manufacturing and selling of watches and decides to assign it without goodwill, it means that the assignee can use the trademark “TH” for any other product other than watches. Once a trademark is assigned it is important to record the change in ownership with the Trademark Registry. Specific forms with fees have to be filled to ensure that the records reflect the ownership details.

Procedure to record the assignment of trademark with the Registry:

Assignment of an unregistered mark:

Section 39 stipulates that an unregistered trademark may be assigned or transmitted with or without the goodwill of the business concerned. A request has to be made on Form TM-16 for an unregistered trademark to be assigned or transferred.

Assignment of a registered trademark:

Section 38 stipulates that trademarks can be either assigned in full or transmitted in part, with or without the goodwill of the business. All transmissions or assignments must be registered with the Registrar of Trademarks on Form 23 or 24 of the Trademarks. (Rule 68 of the Trademarks rule, 2002).

Fees:

In a case of assignment or transfer of a single trademark:

- if made within six months from the date of acquisition of proprietorship, then the official fee is Rs. 5000;
- if made after expiration of six months but before 12 months from the date of acquisition of proprietorship, then the official fee is Rs. 7,500;
- if made after 12 months from date of acquisition of proprietorship, then the official fee is Rs. 10,000.

In case of assignment of more than one trademark:

- if made within six months from the date of acquisition of proprietorship, then the official fee is Rs. 5000 for the first mark and Rs. 1000 for every additional mark;
- if made after expiration of six months but before 12 months from the date of acquisition of proprietorship, then the official fee is Rs. 7,500 for the first mark and Rs. 1500 for every additional mark;
- if made after 12 months from date of acquisition of proprietorship, then the official fee is Rs. 10,000 for the first mark and Rs. 2000 for every additional mark.

From a practical perspective, this is what you need to incorporate in any assignment deed which involves trademarks;

1. The assignment deed must be in writing where the assignor's name must be same as it is in the Register of Trademarks, i.e. the owner of the trademark;
2. It is absolutely necessary that the territorial extent of the assignment is clearly laid down; for example, if the assignee is based in India, then it is a must that the assignment deed contain a clause saying the assignment is for that particular region;
3. The next obvious thing is, the mark/marks that the proprietor wants to assign must be mentioned clearly;
4. The consideration that the assignee needs to pay should be mentioned as well; the standard phrase of "good and valuable consideration" wouldn't hold good; The stamp duty has to be calculated on the basis of the consideration.
5. The effective date of the assignment must be laid down clearly;
6. The most important part of an assignment deed is to mention if the assignment is along with the goodwill or not.

As can be noted, transfer of proprietary rights in trademark is similar to transfer of any other asset; Trademarks are valuable assets since they quantify a company's reputation and goodwill. While making sure the assignment is in order you also have to keep the records of the trademark registry updated with these changes.⁸⁸

8.4 Conclusion and Summary

The former Trademark Law considered trademarks to be inseparable from business, and therefore the law approved the transfer of trademarks only together with a transfer of the relevant business in order to avoid confusion over the source of goods and services or misconception of the quality of goods.

In light of these circumstances, the current Trademark Law permits the transfer of trademark rights independently from business. There is restriction on transfer of trademarks rights of national and local public interest. This is because such trademarks have been registered for the reason that they indicate non-profit organizations. There is restriction on transfer of trademarks rights of Non Profit Organizations working in the public interest. This is because such trademarks have been registered for public interest.

All trademarks can be sold or assigned. The "goodwill" of any business associated with that trademark must be included in any such transfer. Even trademarks that are

⁸⁸ <http://www.selvamandselvam.in/blog/assignment-of-trademarks-in-india/>

unregistered or are the subject of pending applications can be sold or assigned. Written assignments of registered trademarks are recommended, and may be recorded with the authorities for a fee.

8.5 Self Assessment Test

1. How transfer of trademark is done?

2. How assignment of trademark is done

8.6 Suggested Readings

1. http://www.legalarcclawfirm.com/trademark-services/trademark-assignment/?gclid=COzL_I-J-cgCFcMlvAodEzABEQ
2. <http://www.inta.org/TrademarkBasics/FactSheets/Pages/AssignmentsLicensesValuationFactSheet.aspx>
3. <http://www.selvamandselvam.in/blog/assignment-of-trademarks-in-india/>
4. Avtar Singh, Intellectual Property Rights, Eastern Book Company.
5. P. Narayanan, Trademarks and Passing Off, Eastern Law House.

Unit 9

Infringement of Trademarks and Remedies

Objectives

The present unit shall focus on those circumstances that amount to trespass in the domain of the trademark proprietor's right under the Act, that is, infringement. What sort of infringement are there and as to what needs to be proven in order to show a case for an infringement. It further will discuss the issues about jurisdiction and remedies.

Structure

- 9.1 Introduction
- 9.2 Rights conferred by registration
- 9.3 Infringement of Trademark
- 9.4 Jurisdiction
- 9.5 Reliefs
- 9.6 Conclusion
- 9.7 Self-assessment
- 9.8 Further readings

9.1 Introduction

The circumstances when an act of infringement can happen are provided under Section 29. It not only provides for normal situations of infringement but does also provides protection for repute of well-known marks and even advertisements. It has to be noted that no action for infringement can be sought for unregistered trademarks. Infringement means trespass into the domain of the right of another person, in this case, the registered proprietor. Rights conferred by registration is given under Section 28. Whereas section 29 provides for infringement. The jurisdiction is provided for by Section 134 and consequent reliefs are given under Section 135.

9.2 Rights Conferred by Registration

Section 28 of the Act provides for the rights conferred by registration. They are as following:

(1) Subject to the other provisions of this Act, the registration of a trademark shall, if valid, give to the registered proprietor of the trademark the exclusive right to the use of the trademark in relation to the goods or services in respect of which the trademark is registered and to obtain relief in respect of infringement of the trademark in the manner provided by this Act.

(2) The exclusive right to the use of a trademark given under sub-section (1) shall be subject to any conditions and limitations to which the registration is subject.

(3) Where two or more persons are registered proprietors of trademarks, which are identical with or nearly resemble each other, the exclusive right to the use of any of those trademarks shall not (except so far as their respective rights are subject to any conditions or limitations entered on the register) be deemed to have been acquired by any one of those persons as against any other of those persons merely by registration of the trademarks but each of those persons has otherwise the same rights as against other persons (not being registered users using by way of permitted use) as he would have if he were the sole registered proprietor.

Comments

Section 28 confers the right to exclusive use of the trademark in relation to goods or services for which it has been registered. Also, it confers a right to obtain relief in respect of infringement of the mark. This right to sue accrues only after the trademark has been registered. A proposed registration or the fact that has an application has been filed for the purpose of registration will not confer this right. *K. Narayanan v. S. Murali*, (2008) 10 SCC 479. However under Section 27, nothing in this act shall be deemed to effect rights of action against any person for passing off goods or services as the goods of another person or as services provided by another person, or the remedies in respect thereof. Registration does not confer the right to seek passing off remedy as that right was already existing. However, the advantage of registration is that the proprietor of the mark has two set of remedies, one, passing off a common law remedy and two, action for infringement a statutory remedy. This improves his chances of succeeding in a case. So long as the mark continues to be on the register the remedy is available, *Kores (India) Ltd. v Whale Stationary Products (P) Ltd.*, (2008) 3 Mah LJ 523. Sub-section (1) of Section 28 uses the expression "if valid" has been inserted for the purpose that post registration an aggrieved person is entitled to apply for cancellation even if no suit for infringement has been filed. In case a suit is filed during the pendency of a cancellation application the court will

stay the suit till the final disposal of the same. The court may however, grant an interlocutory order as it may deem fit, including but not limited to, granting the injunction or dismissing the prayer for injunction. If no cancellation proceeding is pending as on the date of filing of the suit and the court is satisfied with regard to the plea of invalidity of registration then the court may raise an issue in the suit and adjourn the case for three months after framing the issues in order to enable the defendants to apply to the Appellate Board for the rectification of the Register. Here also the court can issue interlocutory orders as it thinks fit. It is clear that the entitlement to claim invalidity of registration on the ground of the expression, if valid, only arises if the defendant in his written statement takes up that plea. *Marico Ltd. v Agro Tech Foods*, (2010) 174 DLT 279 (Del)(DB).

9.3 Infringement of Trademark

Section 29 (1) of the Trademarks Act, 1999 provides for the infringement of registered trademarks in the circumstance when a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which is identical with, or deceptively similar to, the trademark in relation to goods or services in respect of which the trademark is registered and in such manner as to render the use of the mark likely to be taken as being used as a trademark.

The defendant here should not be the registered proprietor or a permitted user. The use by the defendant shall be in the course of trade. The allegedly infringing mark is identical or deceptively similar to the registered mark in relation to goods and services for which it has been registered. The manner of usage is such so as to render the use of the mark likely to be taken as being used as a trademark. what a deceptively similar mark would be has been provided for by Section 2 (1)(h) as a mark shall be deemed to be deceptively similar to another mark if it so nearly resembles that other mark as to be likely to deceive or cause confusion. In order to conclude as to the mark is deceptively similar or not the broad and essential features of the two are to be considered. They should not be placed side by side to find out if there are any differences in the design and if so, whether they are of such a character as to prevent one design from being mistaken for the other. It would be enough if the impugned mark bears such an overall similarity to the registered trademark as would be likely to mislead a person usually dealing with one to accept the other if offered to him. *Parle Products (P) Ltd v J. P. and Co.*, (1972) 1SCC 618. Furthermore, under sub-section (9) where the distinctive elements of a registered trademark consist of or

include words, the trademark may be infringed by the spoken use of those words as well as by their visual representation and reference in this section to the use of a mark shall be construed accordingly. So, infringement can also happen by word spoken, say particularly in an industry where transactions and dealings happen over the telephone. Let's look into the acts which amounts to infringement one by one:

1. Under sub-section (2) clause (a) a registered trademark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which because of its identity with the registered trademark and the similarity of the goods or services covered by such registered trademark is likely to cause confusion on the part of the public or which is likely to have an association with the registered trademark. This is a circumstance of *identical marks and similar goods or services*. or

2. Under sub-section (2) clause (b) a registered trademark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade its similarity to the registered trademark and the identity or similarity of the goods or services covered by such registered trademark is likely to cause confusion on the part of the public, or which is likely to have an association with the registered trademark. This is a circumstance of *similar marks and identical or similar goods or services*.

3. Under sub-section (2) clause (c) a registered trademark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, its identity with the registered trademark and the identity of the goods or services covered by such registered trademark, is likely to cause confusion on the part of the public, or which is likely to have an association with the registered trademark. This is a circumstance of *identical mark and identical goods or services*. Under sub-section (3) in any case falling under clause (c) of sub-section (2), the court shall presume that it is likely to cause confusion on the part of the public.

Comments:

- The issue of identity/similarity of marks.

The marks are considered to be identical if the alterations done by the defendant in the impugned mark are merely cosmetic or synthetic. The difference between the two are likely to be un-noticeable to an unwary consumer. For example, THINK PAD and THINKPAD. However, marks would be similar if there is some alteration which could be noted but still has the potential to cause confusion. Whether or not

they are identical or similar would be determined on a global appreciation of the marks taking into account its visual, aural and conceptual similarity with regards to its distinctive features. Global appreciation implies that mark has to consider overall, it cannot be broken into parts to assess the similarity. Regards be given to how it looks to the eye, how it sounds to the ear and the concept it is reflecting should also be taken into account. For example if the registered trademark is LADY and the allegedly infringing mark is FIRST LADY the marks would be considered as different as the concept has changed. First Lady would be viewed as a reference to the wife of the President of the United States. Kindly note that the marks are different despite the fact that the impugned mark has completely swallowed the registered mark.

- The issue of identity/ similarity of goods or services.

The issue can be decided on the basis of several factors:

- a. Products serve the same purpose.- umbrella and waterproof coats serve the same purpose, that is, keeping a person dry when it's raining. The vehicle for would serve the same purpose taking a person from point A to point B, be it, Ford or Toyota.
- b. Product is sold in proximity at the marketplace- Though it is true that no one would confuse between knives and spoons, umbrella or water coats, toothbrush and toothpaste, hammer and nail, pencil and erasers, still they are so metaphysically tied by a string of shopping concepts which tie them together in our mind in terms of cutlery, toiletries, hardware and stationery.
- c. Products which are substitutable- There are products which serve the same purpose but are not substitutes of each other. For example, umbrella is not a substitute for waterproofs in case of windy season or when the person is driving. However, Toyota would be perfect substitute for Ford.
- d. Products which are offered to the same public. Where the products are offered to same consuming public they may considered to be similar. For example, umbrella and waterproofs as they are aimed at people who intends to keep themselves dry, but a luxurious vehicle like Jaguar consumers would be different from people who would purchase a modest vehicle like TATA Nano.
- e. Products popularized in the trademark specification. Sometimes a trademark application may be sought in general and in particular terms with respect to goods or services, like "all A's in general and A1 and A2 in particular". The fact that it has

been popularized in particular with respect to A1 and A2 does not imply that it cannot cover other A's.

f. As far the question of similarity of services are concerned there is no specific legal criteria by which the similarity can be assessed. The burden of proving the same is upon the person who asserts its similarity. In one case SMILECARE for dentist service was considered different from SMILECARE for financial services for the dentists. Estate agency would be different from travel agency.

- Likelihood of confusion

The entire purpose of the trademark law is to avoid confusion in the minds of a consumer. Likelihood of the same can be assessed taking into account several factors.

(1) The degree of similarity between the owner's mark and the alleged infringing mark. The greater the similarity the greater the likelihood of confusion.

(2) The strength of owner's mark. more distinctive a mark is more likelihood of confusion in the same.

(3) The price of the goods and other factors indicative of the care and attention expected of consumers when making a purchase. If a good is an expensive one the consumer would be paying more attention to avoid confusion as compared to a product which is cheap. However, it must be exercised with caution given other factors like ability of the consumer to avoid confusion like for example in a pharmaceutical product,. Although it is very vital and it is likely that caution would be exercised but given the Indian conditions, level of literacy and questionable competence of pharmaceuticals and illegible handwriting of the doctors can confuse them.

(4) The length of time the defendant has used the mark without evidence of actual confusion arising. A long usage on the part of the defendant would favour him.

(5) The intent of the defendant in adopting the mark. it has to be seen whether his intention was to cause confusion in order to pass off his goods or services as those of another's.

(6) The evidence of actual confusion is a very strong evidence to prove confusion. The law intends to avoid likelihood of confusion and if actual confusion can be proven by way of evidences it would automatically prove its likelihood. Evidences like an order being placed before a wrong party or an inquiry being made or a

complaint being made to the plaintiff for the defendants products or services can be presented for that purpose.

(7) Whether the goods, though not competing, are marketed through the same channels of trade and advertised through the same media. This has to be seen how they are reaching the market, where are they sold, where are they exhibited, advertised and placed in the shelf. If that channel is same there is a greater likelihood of confusion.

(8) The extent to which the targets of the parties' sales efforts are the same.

(9) The relationship of the goods in the minds of the public because of the similarity of function.

(10) Other facts suggesting that the consuming public might expect the prior owner to manufacture a product in the defendant's market. This is known as bridging the gap. If it can be reasonably expected that the plaintiff would expand his business to that sector as that of the defendant, there is a greater likelihood of confusion.⁸⁹

4. A registered trademark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which is identical with or similar to the registered trademark and is used in relation to goods or services which are not similar to those for which the trademark is registered and the registered trademark has a reputation in India and the use of the mark without due cause takes unfair advantage of or is detrimental to, the distinctive character or repute of the registered trademark. This is a situation wherein the goods and services are dissimilar but the marks are identical or similar. It is necessary that such usage was done not by the registered proprietor, implying thereby that a suit for infringement cannot be brought against him and the usage was not permitted by him. The alleged use must be in the course of trade that is done with a view to earn profits by riding upon the reputation of the plaintiffs trademark. Every usage is not prohibited, like for 3example use to criticise some company's employment conditions, or callousness towards the environmental issues. They constitute part of freedom of speech and expression they would not be considered use in the course of trade. The identity or similarity would be assessed on the same standards as mentioned previously. There no need to establish likelihood of confusion in this case. What is required to be proven is following:

⁸⁹ See Honda Motors Co. Ltd. v Charanjit Singh 2003 (26) PTC 1.

a. The plaintiffs mark has a reputation in India. Reputation in broad terms means the knowledge of existence of a trademark in the relevant public. If they are aware about it then that trademark has a reputation. For reputation to exist it is not necessary that the product has to be present in the market. Neither, it is necessary that it should be widely known by the people. Reputation is not notoriety even when it is known to few relevant consuming society it would have reputation. Say for example Bukhara is a very famous restaurant however it is not widely known. The reputation which it enjoys is deep. Likewise relevant consumers can be very limited say for example Mavis would be very well known by the people who play badminton but not be the wider segment of society.

b. Use of the mark was done without due cause. So defendant can prove his due cause that the use was done bona fide or he has been a prior user or it was an honest use or he has a pre-existing right in the same then he would not be liable.

c. Takes unfair advantage of or is detrimental to, the distinctive character or repute of the registered trademark. Act of the defendant is giving him an unfair advantage out of the distinctive character. For example, SONY is a distinctive trademark use of the same over confectionary products would give an unfair advantage to the defendant because his product would become instantly recognisable to the consumers without doing any investment on advertising and making it known. This is the parasitic behaviour and the purpose was to ride upon the distinctive character of the plaintiffs mark. It would also be an infringement if it causes unfair advantage out of the repute of the earlier mark. Repute of a mark is what it stands for, it's the image of the mark in the mind of consumers. For example PUMA for people stands for sportsmanship and competitiveness, a defendant would be taking an unfair advantage of this repute of PUMA if he starts selling gym equipment's by the trademark PUMA. Likewise, detriment or harm to the distinctive character or repute is also an infringement. For example if we allow such usage then there would be a mushrooming effect and there would be many players like confectionary, vehicles, food companies etcetc all using the trademark SONY. This would dilute the distinctive character of that mark as its ability to act as a source indicator would be gone resulting into consequent detriment. Detriment to repute can also happen when the defendant products is a kind which people think in negative terms. Imagine PUMA being used upon alcoholic beverages, tobacco products, gambling devices.

5. A registered trademark is infringed by a person if he uses such registered trademark, as his trade name or part of his trade name, or name of his business concern or part of the name, of his business concern dealing in goods or services in respect of which the trademark is registered.

Comments:

Concept of use:

Permitted uses are given under Section 2 (1)(r) in relation to a registered trademark, means the use of trademark—

(i) by a registered user of the trademark in relation to goods or services—

(a) with which he is connected in the course of trade; and

(b) in respect of which the trademark 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 trademark 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 trademark is subject.

Section 2 sub-section (2) provides in this Act, unless the context otherwise requires, any reference—

(b) to the use of a mark shall be construed as a reference to the use of printed or other visual representation of the mark;

(c) to the use of a mark,—

(i) in relation to goods, shall be construed as a reference to the use of the mark upon, or in any physical or in any other relation whatsoever, to such goods;

(ii) in relation to services, shall be construed as a reference to the use of the mark as or as part of any statement about the availability, provision or performance of such services;

Section 29 Sub-section (6) provides that for the purposes of this section, a person uses a registered mark, if, in particular, he—

(a) affixes it to goods or the packaging thereof;

(b) offers or exposes goods for sale, puts them on the market, or stocks them for those purposes under the registered trademark, or offers or supplies services under the registered trademark;

(c) imports or exports goods under the mark; or

(d) uses the registered trademark on business papers or in advertising.

(9) Where the distinctive elements of a registered trademark consist of or include words, the trademark may be infringed by the spoken use of those words as well as by their visual representation and reference in this section to the use of a mark shall be construed accordingly.

6. Under Sub-section (7) a registered trademark is infringed by a person who 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, provided such person, when he applied the mark, knew or had reason to believe that the application of the mark was not duly authorised by the proprietor or a licensee.

7. Under Sub-section (8) registered trademark is infringed by any advertising of that trademark if such advertising—

(a) takes unfair advantage of and is contrary to honest practices in industrial or commercial matters; or

(b) is detrimental to its distinctive character; or

(c) is against the reputation of the trademark.

Comments:

These are the cases of commercial disparagement. Wherein, the products are compared and claims are made that the defendant's product are superior to those of the plaintiff. In *Reckitt & Colman of India Ltd. v. Kiwi T.T.K. Ltd.*, the plaintiff company is engaged in manufacture and sale of consumer products and one of the products of the plaintiff is liquid shoe polish being manufactured and marketed by them under the name and style of Cherry Blossom Premium Liquid Wax Polish. Defendant is also engaged in the manufacture of polish and one of the brand being manufactured and marketed by the defendant is "KIWI" brand of liquid polish. It is alleged that the liquid polish being marketed by the defendant and some other manufacturers have much less wax contents and more acrylic contents as compared to the liquid polish of the plaintiff. The acrylic base allegedly tends to form a film on the footwear which over a period of time is liable to crack and thus damage the footwear. It is, therefore, stated that the liquid polish of the plaintiff having wax rich

formula is better than the other polishes. The liquid polish of the plaintiff is sold and marketed in angle neck bottles which is alleged to have easy application of the polish to the footwear. An imported applicator is alleged fitted on to the bottle which is strengthened by chemical flocking on the surface as also by riveting the sponge on to the plastic applicator base. The plaintiff has claimed its product to be superior than the similar product of the other competitors in every respect and it is stated that the plaintiff has 68% market share of the liquid shoe polish whereas the defendant has only 20% of such share.

The defendant with a view to promote its product is displaying an advertisement through the electronic media. The advertisement of the defendant shows a bottle of "KIWI". From which the word "KIWI" is written on white surface which does not drip as against another bottle described as "OTHERS" which drips. The product shown to have been flowing from the bottle of "OTHERS" is from a bottle marked "Brand X" and allegedly looks like the bottle of the liquid shoe polish of the plaintiff for which the plaintiff allegedly has a designed registration granted in 1993 under design No. 165756. The bottle of "OTHERS" marked "Brand X" also has a red blob on its surface, which allegedly represents "CHERRY" which appear on the bottle of the plaintiffs product. Besides the advertisement in the electronic media, defendant had also been circulating a "point of sale" poster material at shops and marketing outlets selling similar products. It is alleged that in the said poster material circulated by the defendant, the bottle shown, as "OTHERS" with a faulty applicator allegedly resembles the applicator of the plaintiff.

The advertisement was regarded as comparative advertisement and five principles laid down by the Court to decide as to whether a party is entitled to an injunction were as under: -

1. A tradesman is entitled to declare his goods to be best in the words, even though the declaration is untrue.
2. He can also say that my goods are better than his competitors', even though such statement is untrue.
3. For the purpose of saying that his goods are the best in the world or his goods are better than his competitors' he can even compare the advantages of his goods over the goods of others.
4. He, however, cannot while saying his goods are better than his competitors', say that his competitors' goods are bad. If he says so, he really slanders the goods of his

competitors. In other words he defames his competitors and their goods, which is not permissible.

5. If there is no defamation to the goods or to the manufacturer of such goods no action lies, but if there is such defamation an action lies and if an action lies for recovery of damages for defamation, then the Court is also competent to grant an order of injunction restraining repetition of such defamation.

It was held that a manufacturer is entitled to make a statement that his goods are the best and also make some statements for puffing of his goods and the same will not give a cause of action to other traders or manufacturers of similar goods to institute proceedings as there is no disparagement or defamation to the goods of the manufacturer so doing. However, a manufacturer is not entitled to say that his competitor's goods are bad so as to puff and promote his goods.

In *Reckitt & Colman of India Ltd. v. M.P. Ramachandran and Anr.*, The facts were that the plaintiff was the manufacturer of blue whitener under the name and style of "Robin Blue". The defendant had also started manufacturing blue whitener and with a view to promote their products they issued an advertisement allegedly making disparaging representations to the plaintiffs Robin Liquid Blue.

The defendants had depicted the product of the petitioner showing the container in which the product of the petitioner was sold and in regard to which the petitioner had a registered design. It was further shown in the advertisement that the product contained in the said container was priced at RS.10.00. By giving the price, the respondent had in no uncertain terms identified the product of the petitioner since the only blue whitener sold in the market at the relevant time priced at around RS.10.00 was the product of the petitioner. It was contended in the advertisement that the said blue was uneconomical and it was then contended that at RS.10.00 the average blue is the most expansive to white your clothes. Thereafter it was added "What is more, you have to use lots of blue per wash". By making this comment the container of the petitioner had been shown upside-down and had been further shown that the liquid was gushing out. The object was obviously to show that the product of the petitioner priced at RS.10.00 gushed out as a squirt and not in drips while being-used and, therefore, it was expansive way to whiten the clothes.

It was in these circumstances that the Court held that the assertion made in the advertisement was clearly related to the product of the petitioner in that case and was made with a view to disparage and defame the petitioner's product. The Court had

based its decision mainly on the fact that the price of the container shown in the advertisement was RS.10.00 and no other blue whitener except that of the petitioner was at the relevant time priced at. RS.10.00 and it, therefore, held that the advertisement was directly related to the product of the petitioner. The Court, therefore, in that case restrained the respondent from issuing the advertisement in question.

9.4 Jurisdiction

Section 134.provides that the suit for infringement, etc., to be instituted before District Court.—

(1) No suit—

(a) for the infringement of a registered trademark; or

(b) relating to any right in a registered trademark; or

(c) for passing off arising out of the use by the defendant of any trademark which is identical with or deceptively similar to the plaintiff's trademark, whether registered or unregistered, shall be instituted in any court inferior to a District Court having jurisdiction to try the suit.

(2) For the purpose of clauses (a) and (b) of sub-section (1), a "District Court having jurisdiction" shall, notwithstanding anything contained in the Code of Civil Procedure, 1908 (5 of 1908) or any other law for the time being in force, include a District Court within the local limits of whose jurisdiction, at the time of the institution of the suit or other proceeding, the person instituting the suit or proceeding, or, where there are more than one such persons any of them, actually and voluntarily resides or carries on business or personally works for gain. Explanation.—For the purposes of sub-section (2), "person" includes the registered proprietor and the registered user.

Comments:

The Trademarks Act follows a different approach as compared to the approach in Civil Procedure Code. In the latter it is from the perspective of the defendant here it is from the perspective of plaintiff. It implies that the plaintiff is not required to chase the alleged infringer he has to come down to the doorstep of the plaintiff.

9.5 Reliefs

Section 135 provides for relief in suits for infringement—

(1) The relief which a court may grant in any suit for infringement 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.

(2) The order of injunction under sub-section (1) may include an ex parte injunction or any interlocutory order for any of the following matters, 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.

(3) Notwithstanding anything contained in sub-section (1), 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 trademark, the infringement complained of is in relation to a certification trademark 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 trademark complained of in the suit, he was unaware and had no reasonable ground for believing that the trademark 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 trademark, he forthwith ceased to use the trademark in relation to goods or services in respect of which it was registered; or

Comment

While granting an injunction court takes into account following considerations, namely:

a. Prima facie case in the favour of the plaintiff.

b. Monetary damages would be an inadequate compensation for the loss and damage suffered by the plaintiff.

c. Balance of hardship is in the favour of the plaintiff. And

d. Public interest would be disserved if an injunction is not granted.

9.6 Conclusion

The Trademarks Act provides for the statutory remedy of infringement in addition to the common law remedy of passing off. That also emphasizes upon the relevance of

registration as it affords go the proprietor an additional remedy. It declares an act of impermissible use as an act of infringement the usages of identical or similar trademarks in relation to identical or similar goods or services as infringement when they are likely to cause confusion, including likelihood of association. It therefore serves the primary purpose of trademarks to avoid confusion in the minds of the consumers as to the source. Furthermore, it declares parasitic behaviour of an alleged infringer to be an infringement when in the course of trade an attempt has been done without due course to take an unfair advantage or detriment to the distinctive character or repute of the plaintiff's trademark. It also prohibits use of registered trademark application in trade papers. It further prohibits comparative advertising that amounts to commercial defamation, that is, disparagement. The jurisdiction has been well defined to be that of the District court from the perspective of the plaintiff. It gives an opportunity to the plaintiff to drag the wrong-doer at his footsteps. As far as relief is concerned it provides for injunctions, damages and account of profits.

10 Self-assessment

1. What are the rights that are conferred by registration?
2. What is the advantage of having registered a trademark?
3. What are the different kinds of infringements under the Act?
4. How to assess the following:
 - a. Similarity or identity of trademarks
 - b. Similarity or identity of goods or services
 - c. Likelihood of confusion
 - d. Reputation
 - e. Repute
 - f. Deceptive similarity
5. What are the principles to determine an infringing comparative advertising?
6. What is the meaning of use under Section 29?
7. What is the court having jurisdiction to take up the suit for infringement of a trademark? what is the advantage for the same?
8. Discuss the reliefs available for infringement of trademark?

9.7 Further Readings

1. Epstien on Intellectual Property
2. Kerly's Law of Trademarks
3. Jeremy Philips on Trademark Law

Unit – 10

Tortuous Liability in Trademarks

Objectives

After going through this unit, the student should be able to understand

- What is tortuous liability;
- Can there be tortuous liability in trademarks law?
- Action required for such action.

Structure

- 10.1 Introduction
- 10.2 Tortuous liability - Meaning
- 10.3 Tortuous liability in trademarks law
- 10.4 Possible actions in case of tortuous liability in trademarks law.
- 10.5 Conclusion and Summary
- 10.6 Self-assessment test
- 10.7 Suggested readings

10.1 Introduction

Very often we find violation of trademarks in commercial world. Due to the wide applicability of the functions of tort law, there has emerged an interface between the field of intellectual property licensing and tort law which by definition applies to legal responsibilities

outside the scope of the licensing contract. However, there appears to be a dearth of case law and companion writings on tort liability in the fields of know-how and patent licensing even though tort liability has become well established in the field of trademark licensing over the past few years.

Trademark licensors are also initially presumed not liable under the so-called “enterprise theory of liability.” However, they may be held liable if they are part of the overall enterprise responsible for placing defective products in the stream of commerce. For example, licensors may be liable if they are found to have exerted substantial control over the manufacturer, or materially contributed to, facilitated,

induced, or were directly responsible for the defective products by providing detailed specifications, manufacturing or design standards or otherwise.

Question is would a defendant be liable for inducing a third person to copy the plaintiff's copyrighted work if the defendant believed (albeit erroneously) that the third person had a fair use defense to a claim for copyright infringement? Principles from general tort law may suggest an answer to this question as well as to other presently unsettled questions⁹⁰ involving liability for the indirect infringement of patents, copyrights and trademarks.

10.2 Tortious liability - Meaning

Torts are wrongdoings that are done by one party against another. As a result of the wrongdoing, the injured person may take civil action against the other party. To simplify this, let's say while walking down the aisle of a grocery store, you slip on a banana that had fallen from a shelf. You become the **plaintiff**, or injured party, and the grocery store is considered the **tortfeasor or defendant**, the negligent party. Simply said, you would probably take civil action against the grocery store to recoup compensation for pain, suffering, medical bills and expenses incurred as a result of the fall. Negligence is just one tort category. There are three general categories of torts. Regardless of the tort action, three elements must be present:

- Tortfeasor, or defendant, had a duty to act or behave in a certain way.
- Plaintiff must prove that the behavior demonstrated by the tortfeasor did not conform to the duty owed to the plaintiff.
- The plaintiff suffered an injury or loss as a result.

Because torts are a civil action involving private parties, punishment does not include a fine or incarceration. The punishment for tortious acts usually involves restoring the injured party monetarily. Sometimes a court order may force the tortfeasor to either do or not do something. Think trespassing, defamation or slander. Let's explore the three types of torts:

- **Intentional torts**
- **Negligence torts**

⁹⁰ Other unsettled questions include: whether a defendant would be liable for inducing a third person to infringe a patent if the defendant believed the patent was invalid, whether a defendant would be liable for inducing a third person to infringe a trademark if the defendant believed either that the trademark was invalid or the third person had a defense to trademark infringement, whether a seller of a product would be liable for copyright or trademark infringement by a third person who used the product to infringe, and whether an internet service provider would be liable for copyright or trademark infringement by a user of its network.

- **Strict liability torts.**⁹¹

A **tort**, in common law jurisdictions, is a civil wrong that unfairly causes someone else to suffer loss or harm resulting in legal liability for the person who commits the tortious act, called a *tortfeasor*. Although crimes may be torts, the cause of legal action is not necessarily a crime, as the harm may be due to negligence which does not amount to criminal negligence. The victim of the harm can recover their loss as damages in a lawsuit. In order to prevail, the plaintiff in the lawsuit must show that the actions or lack of action was the legally recognizable cause of the harm. The equivalent of tort in civil law jurisdictions is delict.

Legal injuries are not limited to physical injuries and may include emotional, economic, or reputational injuries as well as violations of privacy, property, or constitutional rights. Torts comprise such varied topics as auto accidents, false imprisonment, defamation, product liability, copyright infringement, and environmental pollution (toxic torts). While many torts are the result of negligence, tort law also recognizes intentional torts, where a person has intentionally acted in a way that harms another, and in a few cases (particularly for product liability in the United States) "strict liability" which allows recovery without the need to demonstrate negligence.

Tort law is different from criminal law in that: (1) torts may result from negligent as well as intentional or criminal actions and (2) tort lawsuits have a lower burden of proof such as preponderance of evidence rather than beyond a reasonable doubt. Sometimes a plaintiff may prevail in a tort case even if the person who caused the harm was acquitted in an earlier criminal trial. For example, O.J. Simpson was acquitted in criminal court and later found liable for the tort of wrongful death.

Apparent Manufacturer Doctrine

Section 14 of the Restatement (Third) of Torts, a major codification of product liability law, states "One engaged in the business of selling or otherwise distributing products who sells or distributes as its own a product manufactured by another is subject to the same liability as though the seller or distributor were the product's manufacturer." Comment "d" to that section provides the following explanation: "Trademark licensors are liable for harm caused by defective products distributed under the licensor's trademark or logo when they participate substantially in the

⁹¹ <http://study.com/academy/lesson/what-is-tort-law-definition-and-examples.html>

design, manufacture, or distribution of the licensee's products. In these circumstances they are treated as sellers of the products bearing their trademarks." This is sometimes called the "apparent manufacturer doctrine." In other words, trademark licensors are initially presumed not liable for injuries caused by their licensees' products. However, if the licensors participate substantially in the design, manufacture, or distribution of such products, they can be held liable for defects in the products as if they were the manufacturer. Of course, state laws vary. And the "substantial participation" condition has been misunderstood by some courts applying the doctrine.⁹²

10.3 Tortuous liability in trademark law

Are Trademark Licensors Liable For Injuries Caused By Their Licensees' Defective Products? Up until the 1940s, victims of defective products had limited recourse against the products' manufacturers since the laws of negligence require breach of a duty of care and privity between the parties both of which can be difficult to prove or may not exist in the relationship between manufacturer and consumer. In response to the injustice of such victims having to shoulder the burden of injury without a remedy, the laws of product liability emerged through a progressive series of judicial decisions and legislative acts. Under such laws, manufacturers must actively anticipate and prevent defects in the products they produce and sell, warn consumers of dangers, and insure against the risk of injury to the public. From a policy perspective, manufacturers are in a better position to initially bear the costs of prevention and insurance and can pass the costs on to the public in the form of higher product prices. The question is, to what extent do product liability laws apply to trademark licensors that are not manufacturers or sellers of defective products? It depends upon the facts of the case.⁹³

10.4 Possible action for tortuous liability in trademark law

Possible action under law of torts is civil action to claim compensation. Apart from that criminal action can also be taken in case of criminal action for trademarks.

Section 135 - Relief in suits for infringement or for passing off

⁹² <http://www.forbes.com/sites/oliverherzfeld/2012/10/24/are-trademark-licensors-liable-for-injuries-caused-by-their-licensees-defective-products/>

⁹³ <http://www.forbes.com/sites/oliverherzfeld/2012/10/24/are-trademark-licensors-liable-for-injuries-caused-by-their-licensees-defective-products/>

(1) 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.

(2) The order of injunction under sub-section (1) may include an ex parte injunction or any interlocutory order for any of the following matters, 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.

(3) Notwithstanding anything contained in sub-section (1), 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 trademark, the infringement complained of is in relation to a certification trademark 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 trademark complained of in the suit, he was unaware and had no reasonable ground for believing that the trademark 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 trademark, he forthwith ceased to use the trademark in relation to goods or services in respect of which it was registered; or

(c) where in a suit for passing off, the defendant satisfies the court--

(i) that at the time he commenced to use the trademark complained of in the suit he was unaware and had no reasonable ground for believing that the trademark of the plaintiff was in use; and

(ii) that when he became aware of the existence and nature of the plaintiff's trademark he forthwith ceased to use the trademark complained of.

10.5 Conclusion and Summary

In the licensing of intellectual property, liability is founded upon acts going beyond the mere waiver or licensing of the underlying intangible rights. In the instance of trademarks, the owner is obligated by law to exercise control, and third party claimants succeed on strict liability doctrine. The injured claimant need only show that the defect in the product represented an unreasonable risk and was the proximate cause of the injury.

While there does not appear to be any way of avoiding this responsibility under domestic and developing EEC product liability law, a trademark licensor might consider including in the license a clause providing for accelerated termination for cause whenever the licensee fails to meet, at any time during the life of the agreement, governmentally formulated or sanctioned product standards. While such a clause would not reduce the risk of events during the life of the contract, the licensor would have a switch to turn off the risk generating activity.

If the facts were such as to place the licensor in a position of joint control over the risk, termination and escape clauses could provide for the possibility of the licensor completely severing any connection with the licensee. Such clauses would be particularly desirable if there were different views between the licensor and licensee as to the degree of the ongoing risk.

With regard to know-how licensing, the acts of delivering the know-how and the licensor's direct involvement with the licensee's operation appear to be the potential basis of tort liability to third party claimants. Predictably, third party claimants will attempt to base their claims on theories requiring the least proof, i.e., strict liability or implied warranty theories, however, such claims will normally be backed up by a negligence claim, particularly if there are aspects of product or process design or a duty to warn regarding the use of the technology.

Theories of joint control of the risk or joint tort liability maybe a part of the claimant's case, but licensor involvement on this theory may also come about as a

result of his licensee impleading him to take advantage of indemnification or contribution doctrines which appear to be on the ascendency. To minimize exposure, the know-how licensor might attempt to reduce or eliminate the licensee's reliance upon his expertise. As a practical matter, this is difficult and clearly against the licensor's interest in obtaining a maximum return. When the risk is significant, the licensor might try to obtain disclaimers of all warranties of merchantability, effectiveness, feasibility, and suitability for a particular purpose. Although contractual terms may not negate the licensor's implied warranties in tort to third parties, the existence of the contractual disclaimer would help to delimit the licensor's involvement in the licensee's operations.

Regarding the control of the scope of liability for the trade-mark licensor, a clause permitting licensor termination in the event of licensee misuse of the technology, according to agreed criteria, and/or intervening governmental sanctioning of the licensed product, would provide the licensor with the opportunity to cut off prospective liability during the life of the agreement.

A bare patent license appears to pose little risk of liability to third parties. However, a termination option in the event the licensed product encounters unforeseeable defects during the manufacturing process might be desirable to limit future liability risk.

As a caveat for patent owners who authorize the use of their company name in addition to patent number in patent legend on licensed products, they should be wary that the name does not appear as a trademark on the product. Note especially the broad definition of responsible manufacturers under the EEC products liability proposal and the U.S. Department of Commerce's recent products liability proposal. While the broad wording of these proposals is probably not intended to catch patent legends, the language appears to call such practices into question.

From the foregoing discussion, it seems that the points of tangency between intellectual property licensing and extra contractual liability, i.e., tort responsibility to licensee and third parties, may arise in many of the commercial transactions relating to intellectual property licensing. Aside from trademark law, which has seen rapid development in recent years, technology transfer transactions, optionally involving patents, have not produced much case law. However, as governmental product standard regulations and tort doctrines continue to evolve; intellectual property licensing will come under increasing assessment in tort. Moreover, the

elevation of licensor responsibilities in international transactions to a position of guarantor may well contribute to the further burdening of innovator licensors with greater responsibilities to third parties in tort liability.⁹⁴

10.6 Self Assessment Questions

1. What is tort?
2. Can there be tortious liability for the trademark infringement?

10.7 Suggested readings

¹ Other unsettled questions include: whether a defendant would be liable for inducing a third person to infringe a patent if the defendant believed the patent was invalid, whether a defendant would be liable for inducing a third person to infringe a trademark if the defendant believed either that the trademark was invalid or the third person had a defense to trademark infringement, whether a seller of a product would be liable for copyright or trademark infringement by a third person who used the product to infringe, and whether an internet service provider would be liable for copyright or trademark infringement by a user of its network.

¹ <http://study.com/academy/lesson/what-is-tort-law-definition-and-examples.html>

¹ <http://www.forbes.com/sites/oliverherzfeld/2012/10/24/are-trademark-licensors-liable-for-injuries-caused-by-their-licensees-defective-products/>

¹ <http://www.forbes.com/sites/oliverherzfeld/2012/10/24/are-trademark-licensors-liable-for-injuries-caused-by-their-licensees-defective-products/>

¹ [library.jmls.edu/pdf/ir/lr/jmlr13/09_13JMarshallLRev105\(1979-1980\).pdf](http://library.jmls.edu/pdf/ir/lr/jmlr13/09_13JMarshallLRev105(1979-1980).pdf)

⁹⁴ [library.jmls.edu/pdf/ir/lr/jmlr13/09_13JMarshallLRev105\(1979-1980\).pdf](http://library.jmls.edu/pdf/ir/lr/jmlr13/09_13JMarshallLRev105(1979-1980).pdf)

Unit 11

Certification of Textile Trademarks and Domain name

Objectives

After going through this unit, the student should be able to understand

- What is textile trademark?
- What is domain Name?
- How Certification is done for them?

Structure

11.1 Introduction Textile trademarks - Meaning

11.2 Domain Name

11.3 Conclusion and Summary

11.4 Self-assessment test

11.5 Suggested readings

11.1 Introduction

Like any other trademarks Textile trademarks and domain name have their own special importance. Textile mark is a trademark used in textile goods.

Example: Raymond. Mayur,

Textile Trademarks give distinctive identity to textile goods. They help in market promotion. It also make emotional attachment with costumer. Trademark is an asset, a guarantee about quality and create a relationship with source of the trademark and consumes. It is promoted by publicity.

Textile Trademarks: some facts: Levis Strauss was the leader in textile in 70s and 80. They offer assurance to quality and its functions. It gives consumers a satisfaction in purchase. It gives manufacturer leverage over other competitors, increase profit margin and create customers loyalty. It is necessary the value of the product in market and to sustain market competition.

This leading case will give you idea about misuse of textile trademark:

Delhi High Court

Alfred Dunhill Limited vs Kartar Singh Makkar And Others on 1 March, 1997

Bench: M Siddiqui

JUDGMENT M.S.A Siddiqui, J.

1. The plaintiff has filed this suit seeking injunction against the defendant to prevent passing off and rendition of accounts. Along with the plaint, the plaintiff has also filed an application under Order 39, Rules 1 and 2 C.P.C. for interim injunction.

2. The plaintiff is a company incorporated under the laws of England and has its principal office at 30, Duke Street, St. Jame's London. Swix 6DL, United Kingdom. The plaintiff is a highly reputed company engaged in the business, inter alia of manufacturing and marketing a wide variety of goods including readymade garments and other textile articles under the trademark 'DUNHILL'. The trademark 'DUNHILL' has been used on a very extensive scale for very many years. The products of plaintiff are known all over the world and the trademark 'DUNHILL' belonging to plaintiff company has acquired global reputation. Plaintiff's various products are available for sale at the duty free shops and stores of the Indian Armed Services. The plaintiff is the exclusive owner of the following registrations of the trademark 'DUNHILL' in India as detailed in para No. 16 of the plaint :

"Trade	Class	Date	Goods mark
<hr/>			
DUNHILL	9	16-5-1983	Optical apparatus and instruments including spectacles (anti-dazzle), spectacle cases and magnifying glasses, electrical apparatus and instruments, all being goods included in Class 9.
DUNHILL	18	16-6-1986	Articles included in long tail Class 18 made wholly or form principally of leather and of imitation leather.
DUNHILL	9	1-6-1986	Scientific, nautical, Longtail surveying and

- electrical form apparatus and instruments (including wireless), photographic, cinematographic, optical weighing, measuring, signalling, checking (supervision) life-saving and teaching apparatus and instruments, coin or counter feed apparatus, talking machines, cash registers, calculating machines, fire extinguishing apparatus.
- DUNHILL 14 1-4-1985 Precious metals and their alloys and in goods in precious metals or coated form therewith (except cutlery, forks and spoons) jeweller', precious stones, homological and other chronometric instruments.
- DUNHILL 16 16-1-1987 Paper and paper articles cardboard and cardboard articles; printed matter newspapers and periodicals, books, bookbinding material, photographs, stationary, adhesive materia's (stationery) artists' materials; paint brushes; typewriters and office requisites (other than furniture), instructional and teaching material (other than apparatus) playing cards, printers type and clichs (stereotype); all being goods included in class.
- do 26 Pending Lace and embroidery, ribbons and press buttons, hooks and eyes, pins and needles; artificial flowers.
- DUNHILL 28 1-6-1985 Games and playthings gymnastic and sporting longtail articles (except clothing); ornaments and form decorations for Christmas tress.
- do 33 Pending Wines, spirits and liqueurs.
- do 33 Pending -do-
- DUNHILL 1 1-8-1986 Chemical products used in industry, science, photography, agriculture, Horticulture,

- forestry, and manures (natural and artificial); fire extinguishing compositions, tempering substances and Chemical preparations for soldering, Chemical substances for preserving foodstuffs; tanning substances; adhesive substances used.
- DUNHILL 2 16-4-1986 Paints, varnishes, lacquers, preservatives against rust and against deterioration of wood, coloring matters, dyestuffs, mordents resins; metals in foil and powder form for painters and decorators.
- DUNHILL 4 16-4-1986 Industrial oils and greases (other than edible oils and fats and essential oils); lubricants, dust laying and absorbing compositions; fuels (including motor spirit) and illuminants candles, tapers, nightlights and wicks.
- DUNHILL 5 16-8-1986 Pharmaceutical, veterinary and sanitary substances; infants and invalids foods, plasters material for bandaging, materials for stopping teeth, dental wax, disinfectants; preparations for killing weeds and destroying vermin.
- DUNHILL 6 16-3-1987 Unwrought and partly wrought common metals and their alloys anchors, anvils, bells rolled and cast building materials; rails and other metallic materials for chains (for vehicles); cables and wires (non-electric); locksmiths work, metallic pipes and tubes; safes and cashboxes, steel bells; horse-shoes; nails and screws; other goods in non-precious metal not included in other classes; ores.
- DUNHILL 8 16-6-1988 Hand tools and instruments, cutlery, forks and spoons; side arms.
- DUNHILL 10 16-8-1986 Surgical, medical, dental and veterinary

- instruments and apparatus (including artificial limbs, eye and teeth).
- DUNHILL 12 Pending Parts included, in Class 12 of bicycles, motorcycles and motor.
- DUNHILL 3 Pending Bleaching preparations and other substances for laundry use; cleaning, polishing scouring and abrasive preparations, soaps; perfumery; essential oils, cosmetics, shaving creams, hair lotions and dentifrices.
- DUNHILL 16 Pending Paper and paper articles, cardboard and cardboard articles; printed matter, newspapers and periodicals, books, bookbinding, material, photographs, stationery; adhesive materials (stationery) artists materials; paint brushes; typewriters and office requisites (other than furniture) instrumental and teaching material (other than apparatus) playing cards; printer's type and clichés (stereotype).

3. According to the plaintiff, defendants are engaged in the business of manufacturing and marketing textile articles. Sometime, in 1990, plaintiff received a communication from the Trademarks Registry, Mumbai that defendant No. 2 had filed an opposition to the plaintiff's application under No. 395483 B in Class 24 for registration of the trademark DUNHILL claiming proprietorship and user thereof since 31-5-1986. However, the said opposition proceedings were dismissed vide order dated 10-2-1995 passed by the Assistant Registrar of Trademarks on the ground that defendant had failed to establish prior user of the trademark DUNHILL. Thereafter, in 1992, defendant No. 2 filed yet another opposition to the registration of the plaintiff's application No. 390002 B in Class 25 for the trademark DUNHILL. On 28-3-1994, plaintiff filed an opposition before the Registrar Trademarks, Mumbai to defendant No. 2's application No. 450058 dated 24-2-1986 for registration of trademark DUNHILL, which was published in the Trademark Journal dated 1-12-1993. Subsequent to the filing of the opposition proceedings, plaintiff learnt that defendants had discontinued the use of the mark DUNHILL. However,

sometime prior to the institution of the present suit, it came to plaintiff's notice that defendants have again started manufacturing and marketing their textile articles under the trademark DUNHILL and they are passing off their products as those of plaintiff. The plaintiff, therefore, sought and prayed, inter alia, for permanent injunction to prevent passing off and rendition of accounts.

4. The defendants resisted the suit contending that plaintiff has not used the trademark DUNHILL in India and so plaintiff has no right in respect of the said trademark in this country. The plaintiff's textile products are not available in India and plaintiff's alleged reputation and goodwill of the trademark, DUNHILL stood extinguished due to the restriction on import of foreign goods in India. The defendants have been using the mark DUNHILL since 31-5-1986, and thus there is an inordinate delay of 11 years in bringing action which is fatal to the present suit. According to defendants, the user of the mark DUNHILL by them does not amount to passing off.

5. It was made clear by the learned counsel for plaintiff that the grievance in the present suit relates only to action in passing off. The first question to be determined is whether plaintiff has made out a prima facie case for grant of ad interim injunction. It has to be borne in mind that prima facie case is not to be confused with prima facie title, which has to be established on evidence at the trial. To establish a prima facie case, the party seeking ad interim injunction should show that there is a credible dispute with respect to a right or title which it seeks to protect and it has a real prospect of succeeding in its claim at the trial. In the instant case, there is no serious dispute that plaintiff-company is the proprietor of the trade name and trademark DUNHILL and the said mark is attributable to the surname of Alfred Dunhill. It is also beyond the pale of controversy that defendants have been using the mark DUNHILL in respect of their textile articles since 31-5-1986. It is pleaded in the plaint that the purpose and intent of defendant-company in adopting the work 'DUNHILL' as part of its corporate name is to trade upon and encash on the name, fame, reputation, image and goodwill acquired by the DUNHILL group of companies. It is also pleaded that defendant-company is passing off its goods as those of plaintiff's goods with intent to affect the goodwill and reputation of plaintiff.

6. It is well settled that an action for passing off is a common law remedy being an action in substance of deceit under the law of Tort. In *Warnink v. Townend & Sons (HULL) Ltd.* (1979 AC 731), Lord Diplock identified the following five characteristics which must be represented in order to create a valid cause of action for passing off :

(i) a misrepresentation.

(ii) made by a trader in the course of trade,

(iii) to prospective customers of his or ultimate customers of goods or services supplied by him,

(iv) which is calculated to injure the business or goodwill of another trader (in the sense that there is a reasonably foreseeable consequence), and

(v) which causes actual damage to a business or goodwill of the trader by whom the action is brought or (in quia timet action) will probably do so.

7. In *Reckitt & Cdmann Products Ltd. v. Borden Inc. and others* (1990 R.P.C. 341.), it was held that proof of fraudulent intention is not a necessary element in a cause of action for passing off. The relevance of fraud to this tort is simply that "if the intention to deceive is found, it will be readily inferred that deception will result." In *Century Traders v. Roshanlal Duggar & Co.* , a Division Bench of this court has held;

"In a passing off cases, however, the true basis of action is that the passing off by the defendant of his goods as the goods of the plaintiff injures the right of property in the plaintiff, that right of property being his right to the goodwill of his business this right is to be protected and the balance of convenience is in favor of the person who has established a prima right to property."

8. In *N. R. Dongre v. Whirlpool Corporation* , it was held that the concept and Principle on which passing off action is grounded is that no man has any right to represent his goods as the goods of another. A trader needs protection of his right of prior user of a trademark/trade name as the benefit of the name, fame, reputation and image and goodwill earned by him cannot be taken advantage by another trader by passing off his goods as those of the prior user of the trademark or trade name.

9. In the instant case, there is no serious dispute with regard to the fact that plaintiff company had for many years carried on business in the United Kingdom and,

through various subsidiary and associated companies throughout the world in the sale of pipes tobacco products, smokers' requisite and a wide range of luxury goods. It is also undisputed that all of the goods sold by plaintiff-company are sold under the trade name and trademark "DUNHILL". In this view of the matter, it can safely be inferred that the trademark/trade name DUNHILL meant and means plaintiff and its products to the purchasing public. The averments made in the plaint and the application file under Order 39, Rule 1 and 2 C.P.C. clearly show that as a result of extensive advertising and promotional efforts, plaintiff's products including textile articles, have acquired global reputation and goodwill and the trademark and trade name DUNHILL is being associated with the goods of plaintiff. Plaintiff's advertising has appeared in news and magazines having both national and international circulation. It is also alleged that the trade name and trademark DUNHILL has become distinctive of plaintiffs' goods as a result of substantially exclusive and continuous use in commerce since 1893. Plaintiff's constituted attorney Mr. Melanie Blakeman has filed his affidavit in support of the said application. I have no reason to disbelieve the said affidavit. In this view of the matter, it can safely be held that plaintiff successfully promoted a conscious connection in public mind between 'DUNHILL', mark and its products. The word 'DUNHILL' when used as a trademark or trade name is recognized by one and all in the relevant trade as denoting plaintiff's goods. Thus, plaintiff has prima facie established valuable rights in the trademark and trade name 'DUNHILL' as a result of exclusive and extensive use thereof over many years.

10. It is, undisputed that the defendant No. 1 has been using the mark 'DUNHILL' as a part of its corporate name since 31-5-1986. The plaintiff has filed a copy of the order dated 10-2-1995, passed by the Assistant Registrar Trademarks, Mumbai, which shows that on 21-9-1982, plaintiff-company filed an application (No. 395483) in Class 24 to register the trademark 'DUNHILL' in respect of Tissues (piece-goods), bed and table covers and other textile articles. On 27-9-1990, defendant No. 1 company filed a notice of opposition mainly on the ground that it has adopted the trademark 'DUNHILL' in respect of textile articles since 31-5-1986 and by virtue of honest adoption and continuous use of the trademark in respect of the textile articles, it has acquired proprietary rights of the said trademark within the meaning of Section 18(1) of the Trade and Merchandise Marks Act. The defendant company had also filed an application (No. 518177) for registration of the said trademark in Class 24.

Rejecting the application No. 518177 and the objections raised by defendants, the Assistant Registrar Trademarks held that Plaintiff Company is the registered proprietor of the mark 'DUNHILL' in a number of classes in India since the year 1923. He further held that Plaintiff Company is the prior user and adopter of the mark 'DUNHILL' in India in respect of Tissues (piece-goods) bed and table covers, and textile articles included in Class 24. He, therefore, allowed plaintiff's application for registration of the trademark 'DUNHILL' and rejected defendant's application No. 518177. Admittedly, defendants have not preferred any appeal against the said order of the Assistant Registrar, Trademarks.

11. It is significant to mention that the aforesaid order clearly shows that plaintiff-company is the registered proprietor of the mark 'DUNHILL' in a number of classes in India since 1923. This circumstance, to a great extent, probative the case of plaintiff that defendants were aware of plaintiff's use of trademark and trade name 'DUNHILL' much before incorporation of Defendant-company and defendants adopted the 'DUNHILL' mark and name with a consciousness of plaintiff's mark and of the aura surrounding it and further, defendants were well aware of the benefits which would accrue to them from its use. As noticed earlier, plaintiff-company is in the field of trade and commerce for more than 100 years and it has acquired global reputation, image and goodwill. Plaintiff's products are generally very high in price and cater to those who are affluent or sophisticated. Plaintiff's products in general convey the impression of high quality, Thus, the image conveyed by plaintiff's goods is one of sophisticated and high quality. By using the name of DUNHILL in respect of their goods, the image sought to be conveyed by defendants in the marketing of their goods is precisely the same. It follows that an average customer would find an association or relationship between the textile articles purveyed by Plaintiff Company on the one hand and the textile articles with the trade name DUNHILL as marketed by defendants. The reason being that goods are related if they are used in conjunction with one another or are associated together in some way in the minds of the consuming public.

12. In the suit of instant nature, the real test is whether defendants have any right to represent their business as the business of plaintiff. It ultimately leads to the question as to why defendants were using the trade name DUNHILL to their product. The defendants have not offered any explanation whatsoever as to why the mark

'DUNHILL' was being used by them. The name 'DUNHILL' is neither parental name of defendants nor in any way connected with them. As noticed earlier, the mark 'DUNHILL' is attributable to the surname of Alfred 'DUNHILL'. All of the goods marketed by Plaintiff Company are sold under the trademark and trade name 'DUNHILL'. The trademark and trade name DUNHILL has become distinctive of the plaintiff's goods as a result of substantially exclusive and continuous use in commerce since 1893. Thus, in my opinion, the user of the trade name 'DUNHILL' by defendants is indicative of their intent. It follows that defendant's desire to market their goods under the name of mark 'DUNHILL' with a view to trade upon and encash on the name, fame, reputation, image and goodwill acquired by the plaintiff-company.

13. Learned counsel for defendants contended that the mark 'DUNHILL' not having been associated in the public mind of this country with textile articles, these goods being of a totally different character from those of the plaintiff's goods, defendants' user of the said mark or name in respect of textile articles cannot constitute any passing off of their goods as those of plaintiff. In my opinion, the said submission of the learned counsel does not hold much water. It is well settled that a passing off action would lie even if the plaintiff is not manufacturing or producing in this company any goods similar to the of the defendants. *N. R. Dongre v. Whirlpool Corporation* (supra); *Apple Computer Inc. v. Apple Leasing and Industries* (1992(1) Arb. LR 93). A passing off action would lie where a misrepresentation is likely to be caused or a wrong impression is created as if the product was of someone else. In *Ellora Industries v. Banarsi Dass*, it was held that "confusing customers as to source, is an invasion of another's property right." As noticed earlier, the word 'DUNHILL' when used as a trademark or trade name is recognized by one and all in the relevant trade as denoting goods of the plaintiff-company. It has to be borne in mind that a consumer buys an article because of its source and the features by which the consumer distinguishes that source. The plaintiff has prima facie established a distinctive reputation, image and goodwill in the trademark and trade name 'DUNHILL' and it has a valuable right in that distinctive reputation and goodwill. Admittedly, defendant No. 1 has adopted the mark 'DUNHILL' as part of its corporate name. On a balance of probabilities. I am of the opinion that the consuming public will confuse the source of defendant's goods with the mark 'DUNHILL' with the source of the textile articles and other items marketed by

plaintiff. In other words, defendant's use of plaintiff's mark 'DUNHILL' is likely to cause confusion as to the source or origin of its product. The likelihood of confusion is further enhanced by the relationship between plaintiff and defendants' goods. The standard of consumer to be regarded is that of an ordinary shopper, going about his shopping in an ordinary way. There is bound to be confusion in shopper's mind in relation to the trademark and trade name 'DUNHILL' on the textile articles by defendants. An ordinary average shopper, shopping in the places in which the textile articles are available for purchase, and under the usual conditions under which such a purchase is likely to be made, is likely to be deceived.

14. On the basis of the foregoing facts, I am of the opinion that the plaintiff's trademark and trade name DUNHILL is entitled to protection and the defendants' use of 'DUNHILL' on their goods is likely to cause confusion or to deceive consuming public in the belief that such goods of defendants are made by, sponsored by or connected in some way in trade with plaintiff and to cause confusion or mistake or to deceive consuming public as to the source or origin of defendants' goods.

15. Learned counsel for defendants contended that plaintiff-company was fully aware that defendants have been using the mark 'DUNHILL' since 1986 and it has approached this court after a lapse of 11 years. This delay, according to the learned counsel, is fatal to the plaintiff's application for temporary injunction. In *M/s. Hindustan Pencils (P) Ltd. v. M/s. India Stationary Products Co. .*, it was held that in the case of passing off action or infringement of trademark, delay by itself cannot come in the way of granting injunction. That apart, it is also significant to mention that the order dated 10-2-1995 passed by the Assistant Registrar of Trademarks Mumbai clearly shows that on 21-9-1982, plaintiff-company filed an application No. 395483 in Class 24 to register the trademark DUNHILL in respect of textile articles. In 1990, defendant No. 1 Company filed application to the said application and the Assistant Registrar passed the order on 10-2-1995. This suit has been instituted in 1997. It appears that the plaintiff-company refrained from instituting common law action presumably with the belief that the matter would be resolved in the aforesaid proceedings. Thus, plaintiff-company had acted reasonably and had not slept on its rights. The defendant-company acted on its own peril by continuing to use the mark 'DUNHILL'. The delay of 11 years was excusable because plaintiff was engaged in the legal proceedings on the same subject against defendants.

16. In a last ditch attempt and indeed what appears to me an argument of desperation, learned counsel for defendants has attempted to contend that plaintiff-company had abandoned the mark 'DUNHILL'. It is significant to mention that the written statement is conspicuous by the absence of the plea of abandonment of the mark 'DUNHILL' by plaintiff. Learned counsel for the defendants has invited my attention to para No. 16 of the written statement in support of the plea of abandonment. Para No. 16 of the written statement is as under:

"16. Regarding para 16 the particulars of 13 registration and 6 application for registration of trademark DUNHILL are matters of the record of the Registry. According to the enquiry made by the defendants, all the plaintiff's DUNHILL trademarks are not use in India and all the plaintiff's registered trademarks were liable to be removed from the register on the ground of non use."

16. How the intention to abandon on the mark is to be proved has been laid down in 'Law of Unfair Competition and Trademarks' by Harry D. Nims, Vol. 2, 4th Edition. Reference may, in this connection be made to Article 408 at page 1264, which reads as under:

"Abandonment in industrial property is an act by which public domain originally enters or re-enters into the possession of the thing (commercial) name, mark of sign), by the will of the legitimate owner. The essential condition to abandonment is that the one having a right should consent to the dispossession. Outside of this there can be no dedication of the right, because there cannot be abandonment in the juridical sense of the word. Abandonment results in forfeiture and must be strictly proved, and the burden of its establishment is upon the party affirming it. Abandonment is purely a question of intent."

17. Bearing in mind the aforesaid observations. I am constrained to observe that the averments made by defendants in para No. 16 of the written statement do not constitute the plea of abandonment. It was nowhere pleaded in the written statement that Plaintiff Company had abandoned its exclusive rights to its corporate title and the trade name 'DUNHILL'. On the contrary, defendants have not denied the averments made in para No. 16 of the plaint to the effect that plaintiff holds trademark registration in India in respect of wide variety of goods detailed in the said

paragraph of the plaint. The defendants simply pleaded that these registrations were liable to be removed from the register on the ground of disuse. The defendants have not pleaded the length of the alleged period of disuse. There is nothing on record to show or suggest that plaintiff-company has abandoned the mark 'DUNHILL'.

18. It is an admitted position that plaintiff's products are being sold at the duty free shops in India. Trans-border reputation of the trademark and trade name DUNHILL has been, in my view, established in this country by means of the fact that plaintiff products are available on duty free shops in India, by the fact that advertisement of plaintiff's goods the trademark and trade name 'DUNHILL' are to be found in various magazines like the Newsweek, Time and the Asia Magazine, which are freely available in India. In this view of the matter, it can safely be inferred that plaintiff's trademark and trade name DUNHILL has a live reputation in this country. This circumstance alone is sufficient to counter the contention of the learned counsel for the defendants that the plaintiff had abandoned the mark 'DUNHILL'.

19. Assuming for the sake of arguments that textile articles manufactured by plaintiff are not available for sale in India, yet Plaintiff Company is entitled to protect its global reputation, image, name, fame and goodwill as the goodwill or image or reputation of goods and marks does not depend upon its availability in a particular country. In this connection, I may usefully except the following observations of a Division Bench of this court in *N. R. Dongre v. Whirlpool Corporation* (supra).

"The knowledge and awareness of a trademark in respect of the goods of a trader is not necessarily restricted only to the people of the country where such goods are freely available but the knowledge and awareness of the same which is even the shores of those countries where the goods have not been marketed. When a product is launched and hits the market in one country, the cognizance of the same is also taken by the people in other countries almost at the same time by getting acquainted with it through advertisements in newspapers, magazines, television, video films, cinema etc., even though there may not be availability of the product in those countries because of import restrictions of other factors. In today's world it cannot be said that product and the trademark under which it is sold abroad, does not have a reputation or goodwill in countries where it is not available. The knowledge and awareness of it and its critical evaluation and appraisal travels beyond the confines

of the geographical area in which it is sold. This has been made possible by development of communication systems which transmit and disseminate the information as soon as it is sent or beamed from one place to another. Satellite Television is a major contributor of the information explosion. Dissemination of knowledge of a trademark in respect of a product through advertisement in media amounts to use of the trademark whether or not the advertisement is coupled with the actual existence of the product in the market."

20. On the foregoing discussion, I find and hold that Plaintiff Company has made out a prima facie case for grant of an ad interim injunction against defendants. Balance of convenience is clearly in favor of grant of an ad interim injunction inasmuch as in the suit instant nature, not only the interest of a proprietor of the mark but also the interest of the consuming public has to be protected from likely deception or confusion in the goods which he intends to buy and the goods which are likely to be offered to him. Unless defendants are restrained by grant of temporary injunction during pendency of suit, irreparable loss and injury will be caused to plaintiff by defendants continuing to pass off their goods as those of plaintiff.

21. For the foregoing reasons, the application is allowed and defendants, their directors, officers, agents, servants employees and all those acting otherwise in privity or in concert with defendants are restrained from using plaintiff's trademark and trade name DUNHILL in connection with the sale of their goods and/or articles or from using any words or letters which in any way imitate or stimulate the trademark and trade name DUNHILL so as likely to cause confusion or mistake or to deceive.

22. Before I part with this order, I would like to make it clear that the said order shall remain in operation till the disposal of the suit and nothing stated herein shall affect the rights of the parties that are being agitated in the suit.

23. Injunction granted.

Application to get Textile trademarks:

FORM -TM-22, THE TRADEMARKS ACT, 1999

Agents code No:

Proprietorscode No :

Fee: Rs.2,500. See entry No. 2 of First Schedule

Application to register a textile trademark consisting exclusively of numerals or letters

Section 18(1), rule 25(5), 144 and 145.

(To be filed in triplicate accompanied by Five additional representations of the trademark)

One representation to be fixed within this space and five others to be sent separately. Representation of a larger size may be folded but must then be mounted upon linen or other suitable material and affixed hereto. (See rule 28).

Application 1 is hereby made for registration in the register of the accompanying trademark in class 2 in respect of 3in the name(s)

of4 whose address is5 who claim (s) to be the proprietor(s)

thereof [and by whom the said mark is proposed to be used 6 or (and by whom and his

(their) predecessor(s) in title7 the said mark has been continuously used since20...] in respect of the said goods or services.8 .9.....

.....
All communications relating to this application may be sent to the following address in India:-

Dated thisday of20.....

.....Signature.10.....

Name of the Signatory

To

The Registrar of Trademarks,

The office of the Trademarks Registry at...11.....

1. Strike out whichever is not necessary. The duly signed additional representation by the applicant or his agent should bear the mark, the name, address and description of the

applicant, the description of goods or services, the class, the period of use of the trademark, the trade description and address of service in India.

2. The Registrar's direction may be obtained if the class of the goods or services is not known.

3. Specify the goods or services for class in respect of which application is made. A separate sheet detailing the goods or services may be used. The specification of goods or services should not ordinarily exceed five hundred characters. An excess space fee of Rs.10 per character is payable beyond the prescribed limit. The applicant shall state the exact number of excess characters where the specification of goods or services exceeds of five hundred characters at the space provided immediately before the signature.

4. Insert legibly the full name, description (occupation, calling and nationality of the applicant). In the case of a body corporate or firm the country of incorporation or the names and descriptions of the partners composing the firm and the nature of registration, if any, as the case may be, should be stated. (See rule 16).

5. The applicant shall state the address of his principal place of business in India, if any. (See rules 3 and 17) If the applicant carries on business in the goods or services for which registration is sought at only one place in India such fact should be stated and the address of the place given. If the applicant carries on business in the goods or services concerned at more places than one in India the applicant should state such fact and give the address of that place of business which he considers to be his principal place of business. If, however, the applicant does not carry on business in the goods or services concerned but carried on business in other goods or services at any one place in India this fact should be stated and the address of that place given; and where the applicant carries on such business at more places than one in India such fact should be stated and the address of the place which he considers to be his principal place of business given. Where the applicant is not carrying on any business in India the fact should be stated and the place of his residence in India, if any, should be stated and the address of that place given. In addition to the principal place of business or of residence in India, as the case may be, an applicant may if he so desires given an address in India to which communications relating to the application may be sent). (see rule 19). Where the applicant has neither a place of business nor of residence in India the fact should be stated and an address for service in India given along with his address in his home country abroad.

6. Strike out if the mark is already in use
7. Strike out the words if not applicable. If user by predecessor(s) in title is claimed the name(s) of such person(s) together with the date of commencement of use by the applicant himself should be stated at 9.
8. If there has been no use of the trademark in respect of all the goods or services specified at 3, the items of goods or services in respect of which the mark has actually been used should be stated.
9. For additional matter if required, otherwise to be left blank.. If colour is claimed, clearly indicate it and state the colour. If the application is in respect of a three dimensional mark, a statement to that effect (see rule 25 and 29).
10. Signature of the applicant or of his agent (legal practitioner or registered trademarks agent or person in the sole and regular employment of the applicant -See Section 123) to be also accompanied by the name in block letter.
11. State the name of the place of the appropriate office of the Trademarks Registry (See rule 4).

India has a comprehensive system of product certifications governed by laws made by the Parliament of India. These certifications are managed by various agencies, and hold various statuses before the law. Some of these marks are mandatory for such products to be manufactured or to be placed in the Indian market while some of the marks hold only an advisory status. All the industrial standardization and industrial product certifications are governed by the Bureau of Indian Standards, the national standards organization of India, while standards for other areas (like agricultural products) are developed and managed by other governmental agencies.

11.2 Domain Name

A **domain name** is an identification string that defines a realm of administrative autonomy, authority or control within the Internet. Domain names are formed by the rules and procedures of the Domain Name System (DNS). Any name registered in

the DNS is a domain name. Domain names can also be thought of as a location where certain information or activities can be found.

Domain names are used in various networking contexts and application-specific naming and addressing purposes. In general, a domain name represents an Internet Protocol (IP) resource, such as a personal computer used to access the Internet, a server computer hosting a web site, or the web site itself or any other service communicated via the Internet. In 2014, the number of active domains reached 271 million.

Domain names are organized in subordinate levels (subdomains) of the DNS root domain, which is nameless. The first-level set of domain names are the top-level domains (TLDs), including the generic top-level domains (gTLDs), such as the prominent domains com, info, net, edu, and org, and the country code top-level domains (ccTLDs). Below these top-level domains in the DNS hierarchy are the second-level and third-level domain names that are typically open for reservation by end-users who wish to connect local area networks to the Internet, create other publicly accessible Internet resources or run web sites. The registration of these domain names is usually administered by domain name registrars who sell their services to the public.

A fully qualified domain name (FQDN) is a domain name that is completely specified in the hierarchy of the DNS, having no parts omitted.

Labels in the Domain Name System are case-insensitive, and may therefore be written in any desired capitalization method, but most commonly domain names are written in lowercase in technical contexts.⁹⁵

Domain Registration

Domain registration is of prime concern for any enterprise aiming to tap the immense potential of the web through a website. One should be careful in – Transfer and register of his domain and Check the availability of the desired domain name.

A **domain name registrar** is an organization or commercial entity that manages the reservation of Internet domain names. A domain name registrar must be accredited by a generic top-level domain (gTLD) registry and/or a country code top-level domain (ccTLD) registry. The management is done in accordance with the guidelines of the designated domain name registries.

Domain registration information is maintained by the domain name registries, which contract with domain registrars to provide registration services to the public. An end user selects a registrar to provide the registration service, and that registrar becomes the *designated registrar* for the domain chosen by the user.

⁹⁵ https://en.wikipedia.org/wiki/Domain_name

Only the designated registrar may modify or delete information about domain names in a central registry database. It is not unusual for an end user to switch registrars, invoking a domain transfer process between the registrars involved, that is governed by specific domain name transfer policies.

When a registrar registers a .com domain name for an end-user, it must pay a maximum annual fee of US\$7.85 to VeriSign, the registry operator for .com, and a US\$0.18 annual administration fee to ICANN. Most domain registrars price their services and products to address both the annual fees and the administration fees that must be paid to ICANN. Barriers to entry into the bulk registrar industry are high for new companies without an existing customer base.

Many registrars also offer registration through reseller affiliates. An end-user registers either directly with a registrar, or indirectly through one or more layers of resellers. As of 2010, the retail cost generally ranges from a low of about \$7.50 per year to about \$35 per year for a simple domain registration, although registrars often drop the price far lower – sometimes even free – when ordered with other products such as web hosting services.

The maximum period of registration for a domain name is 10 years. Some registrars offer longer periods of up to 100 years, but such offers involve the registrar renewing the registration for their customer; the 100-year registration would not be in the official registration database.

This system officially commenced service on November 30, 1999 under the supervision of **Internet Corporation for Assigned Names and Numbers (ICANN)**, although there had been several testbed registrars using the system since March 11, 1999. Since then, over 900 registrars have entered the market for domain name registration services.

11.3. Conclusion and summary.

Like any other trademarks Textile trademarks and domain name have their own special importance. They have to be registered. A proper application is files and authorities after proper process certify them. Textile trademarks are registered by Registrar of Trademarks and domain name by **Internet Corporation for Assigned Names and Numbers (ICANN)**,

11.4. Self Assessment Test

1. What are Textile Trademarks? How they are registered?
2. What is Domain Name? How they are registered.
3. Discuss the Delhi High Courts' case Alfred Dunhill Limited vs Kartar Singh Makkar And Others on 1 March, 1997

Unit 12

Law Relating to offences and penalties under the Geographical Indications Act

Objectives

The present unit intends to discuss the provision relating to offences and penalties under the Geographical Indications of Goods (Registration and Protection) Act, 1999. The unit would discuss the various offences and penalties provided for under the Act and their ingredients. Furthermore, it would elaborate upon the procedure as prescribed under the law for cognizance, search, seizure and forfeiture. Lastly it would also discuss the defences available to the defendant.

Structure

12.1 Introduction

12.2 Brief Scheme of Chapter VIII of the Geographical Indication of Goods (Registration and Protection) Act, 1999.

12.3 Categories of the Offences

12.4 Offences and Penalties

12.5 Procedural Aspects

12.6 Other Provisions Relating to Offences and Penalties

12.7 Conclusion

12.8 Summary and Self-assessment Questions.

12.9 Suggested Readings.

12.1 Introduction

The provisions relating to the criminal offences, penalties and procedure are contained in Chapter VIII of the Geographical Indication of Goods (Registration and Protection) Act, 1999 from Section 37 to 54. The provisions are more or less akin to the provisions contained in the Trademarks Act, 1999. It provides for the enhancement of penalty keeping in view one of the objectives of the new act so to prevent the use of fraudulent indications. The law talks about two main category of offences, one which are primarily aimed against counterfeiting activities and second, which covers other kinds of acts which may amount to a criminal offence, for ex., making false statements about the registered status of geographical indication. The provisions contained in Chapter VIII are equally applicable to both registered as well as unregistered geographical indication. Let us look at the scheme of the offences and penalties in brief before starting the discussion upon particular offences and penalties.

12.2 Brief Scheme of Chapter VIII of the Geographical Indications of Goods (Registration and Protection) Act, 1999

Chapter VIII of the act provides for the provisions relating to offences, penalties and procedure. It consists of 18 sections from Section 37 to Section 54. Section 37 gives us the meaning of applying geographical indications. Section 38 speaks about the circumstances which will tantamount to falsifying and falsely applying a geographical indication. Section 39 provides for the penalty of a maximum of three years along with fine for applying false geographical indication. It provides that the accused is not guilty if he proves that the act in question was done without an intent to defraud. Section 40 provides for penalty for selling goods or providing services to which false geographical indication is applied to a maximum term of three years. However, it provides for the defences of reasonable belief and/ or that he has on demand by or on behalf of the prosecutor, he gave all the information in his power with respect to the person from whom he obtained such goods or things and/or that the accused has acted innocently. Section 41 mandates enhanced penalty in case of

repeat offenders. Section 42 prescribes penalty for falsely representing by any words or symbols as being registered geographical indication. Section 43 makes it an offence to improperly describe one's place of business as connected with the Geographical Indication Registry. Section 44 makes it an offence for falsifying the register. Section 45 provide for the circumstances wherein offences provided under Section 39, 40 and 41, would not be deemed to be an offence. The procedure for the forfeiture of the infringing goods has been provided in Section 46. Section 47 exempts a person employed in the ordinary course of employment under certain circumstances for an offence alleged under Section 39. Section 48 prescribes the procedure wherein the accused has pleaded invalidity of registration of the geographical indication in question. Section 49 provides for the circumstances where the offence is alleged to have been committed by a company. It also provides for the circumstances wherein an officer of the company can be punished for the offence of the company. Section 50 lays down the process for cognizance of certain offences. It also provides for the powers of police for search and seizure. Section 51 provides for the costs. Section 52 provides the limitation period within which the prosecution should commence. Section 53 prescribes that an officer cannot be compelled to disclose the source from where he got the information about the commission of the offence. Section 54 provides punishment for an abettor.

12.3 Categories of the Offences

The category of offences provided under Chapter VIII are as following:

1. Falsifying a geographical indication.
2. Falsely applying a geographical indication.
3. Making or possessing instruments for falsifying geographical indication.
4. Applying false geographical indication.
5. Applying false indication of country of origin.
6. Tampering with an indication of origin already applied to goods.
7. Causing any of the things mentioned in point 1 to 6 to be done.
8. Selling goods or possessing or exposing for sale of goods falsely indicated.

9. Falsely representing a geographical indication as registered.
11. Improperly describing a place of business as connected with the Geographical Indications Registry.
12. Falsification of entries in the Register.

12.4 Offences and Penalties

Before starting about the offences and penalties meaning of applying geographical indications, falsifying and falsely applying geographical indication shall be understood. Section 37 provides for the meaning of applying trademark and trade descriptions. It provides that a person is deemed to apply a trademark or mark or a trade description to goods or services who does any act amongst following:--

- (a) Applies it to the goods themselves;
- (b) Applies it to any package in or with which the goods are sold, or exposed for sale, or had in possession for sale or for any purpose of trade or manufacture;
- (c) Places, encloses or annexes any goods which are sold, or exposed for sale, or had in possession for sale or for any other purpose of trade or manufacture, in or with any package or other thing to which a geographical indication has been applied;
- (d) Uses a geographical indication in any manner reasonably likely to lead to the belief that the goods or services in connection with which it is used are designated or described by that geographical indication;
- (e) In relation to the goods or services uses a geographical indication in any sign, advertisement, invoice, catalogue, business letter, business paper, price list or other commercial document and goods are delivered or services are rendered to a person in pursuance of a request or order made by reference to the geographical indication as so used.

Further under Sub-section (2) a geographical indication shall be deemed to be applied to goods whether it is woven in, impressed on, or otherwise worked into, or annexed or affixed to, the goods or to any package or other thing.

Comments on Section 37

A bare reading of Section 37 makes it clear that geographical indication should have been used by the accused in the course of business. This limitation is necessary to protect the consumers who have purchased counterfeit goods from committing an offence in keeping the goods at their homes. But by implication it does not protect a consumer who is privately selling a counterfeit item which they have brought. Proof of sale is not required, it is sufficient that the accused had in his possession incriminating goods for the purpose of trade. Physical possession is also not necessary. The incriminating goods might have been with other person, for cold storage purposes from he had a right to recover on demand. A retailer or a wholesaler who had not connived in a criminal act is not liable. By analogy commission agents and other intermediaries cannot be convicted. Clause (e) of the mentioned Section 37 includes business papers as well which is a curious term. The legislative intention here is to cover all kinds of documents which might bear a geographical indication, for example, invoices, price lists and so on. It is not necessary for the consumers to look at them like internal papers like an inventory list.

Section 38 of the Act provides for the circumstances which amount to falsifying and falsely applying geographical indications. Those are as following:

- (1) A person shall be deemed to falsify a geographical indication who, either-
 - (a) Without the assent of the proprietor of the geographical indication makes that geographical indication or a deceptively similar geographical indication; or
 - (b) Falsifies any genuine geographical indication, whether by alteration, addition, effacement or otherwise.
- (2) A person shall be deemed to falsely apply to goods or services a geographical indication who, without the assent of the proprietor of the geographical indication-

- (a) Applies such geographical indication or a deceptively similar geographical indication to goods or services or any package containing goods;
- (b) Uses any package bearing a geographical indication which is identical or deceptively similar to the geographical indication of such proprietor, for the purpose of packing, filling or wrapping therein any goods other than the genuine goods of the proprietor of the geographical indication.
- (3) Any geographical indication falsified as mentioned in sub-section (1) or falsely applied as mentioned in sub-section (2), is in this Act referred to as a false geographical indication.
- (4) In any prosecution for falsely applying a geographical indication or falsely applying a geographical indication to goods or services, the burden of proving the assent of the proprietor shall lie on the accused.

Comments on Section 38

Section 38 makes it clear that the marks need not be identical it may be merely deceptively similar. This extends the scope of the law even beyond counterfeiting. Such a requirement means that the counterfeiters cannot avoid the penalty by making a trivial change in the indication. The standard to assess whether the indications are deceptively similar or not under Section 38 is same as under other provisions of the Act. The test of deceptive similarity is same as that in civil actions. It is not necessary that the mark shall actually defraud anyone. It will be considered to be deceptively similar wherein the use was a reasonably calculated to cause deception or confusion among the public concerned. The use must be reasonably calculated to cause deception or confusion among the public concerned. The proper question is to consider whether an ordinary unwary purchaser would be deceived. *Ashwini Kumar v. Emperor* AIR 1930 Cal 72 (DB) (Criminal Appeal) (Conviction upheld). It is not necessary to show evidence of actual confusion or deception examination of witnesses will furnish direct evidence to prove the alleged deceptive similarity.

There is a requirement that the act should have been done without the consent of the proprietor of the geographical indication in question. In an ordinary circumstance, this is a positive element of the offence the onus of which is upon the prosecution to prove, rather than a defence on which the defendant bears the onus. However, by virtue of section 38 (4) the burden of proving the assent shall be on the accused.

Specific Offences under the Act

1. Section 39 provides for the penalty for applying false geographical indications -

Any person who, falsifies any geographical indication; or falsely applies to goods or services any geographical indication; or makes, disposes of, or has in his possession, any die, block, machine, plate or other instrument for the purpose of falsifying or of being used for falsifying, a geographical indication; or, applies any false trade description to goods or services; or applies to any goods to which an indication of the country or place in which they were made or produced or the name and address of the manufacturer or person for whom the goods are manufactured is required to be applied under Section 71, a false indication of such country, place, name or address; or tampers with, alters or effaces an indication of origin which has been applied to any goods to which it is required to be applied under Section 139; or causes any of the things above mentioned in this Section to be done, shall, unless he proves that he acted without intent to defraud, be punishable with imprisonment for a term which shall not be less than six months or with fine less than fifty thousand rupees.

Comments on Section 39

- *Without Intent to defraud*

The phrase without intent to defraud implies that in order to constitute an offence under the Act mensrea is not required on the part of the offender. However, for an offence under Section 103, the offender can set up the defence that his act was without intent to defraud. In *Starvey v. Chilworth* Mathew, J. observed, "The words 'without intent to defraud' apply to cases where a person uses a particular

geographical indication without any intent in so doing to induce a buyer to accept goods which might otherwise be rejected.”

- *Burden of Proof regarding without intent to defraud*

The burden of proving that the accused has the assent of the proprietor or that he has acted without an intent to defraud is upon the accused. The quantum of proof required from him is not beyond reasonable doubt. Even when he shows probability of circumstances which warrants a decision in his favour it would be sufficient.

- *Exemption of certain persons employed in ordinary course of business*

Section 47 provides for exemption of certain persons employed in ordinary course of business. It states that when a person accused of an offence under Section 39 proves-

(a) that in the ordinary course of his business he is employed on behalf of other person to apply geographical indications, or as the case may be, to make dies, blocks, machines, plates, or other instruments for making, or being used in making, trading marks; and

(b) that in the case which is the subject of the charge he was so employed and was not interested in the goods or other thing by way of profit or commission dependent on the sale of such goods or providing of services, as the case may be; and

(c) that, having taken all reasonable precautions against committing the offence charged, he had, at the time of the commission of the alleged offence, no reason to suspect the genuineness of the geographical indication; and

(d) that on demand made by or on behalf of the prosecutor, he gave all the information in his power with respect to the person on whose behalf the geographical indication was applied,

he shall be acquitted.

2. Section 40 provides penalty for selling goods or providing services to which false geographical indication or false trade description is applied.

It provides that any person who sells, lets for hire or exposes for sale, goods or things, or provides or hires services, to which any false geographical indication is applied or which, being required under Section 71 to have applied on them an indication of the country or place in which they were made or produced or the name and address of the manufacture, or person for whom the goods are manufactured or services provided, as the case may be, are without the indication so required. Be punishable 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. The proviso states that the court may, for adequate and special reasons to be mentioned in the judgment, impose a sentence for a term less than six months or a fine of less than fifty thousand rupees.

It further states the defences that are available to the accused, that is, if the accused proves that his case falls within understated circumstances he would not be held guilty. Those are:

- (a) That, having taken all reasonable precautions against committing an offence,
- (b) He had at the time of commission of the alleged offence no reason to suspect the genuineness of the geographical indication or trade description or that any offence had been committed in respect of the goods or services; or
- (c) That, on demand by or on the behalf of the prosecutor, he gave all the information in his power with respect to the person from whom he obtained such goods or things or services; or
- (d) That otherwise he had acted innocently.

Comments on Section 39

- *Defence of Reasonable Belief*

Section 39 provides for the defence of reasonable belief of non-infringement. The House of Lords in *Johnstone* affirmed that the onus of proof is on the person charged. The test is two-fold, one the defendant must have in fact believed that his act did not or would not infringe, which is a subjective test. Secondly, the defendant must have had reasonable grounds for that belief.

- *Defence of Acted Innocently*

Acted innocently means that the person has acted inadvertently or under some misapprehension or under a mistake of fact. If the accused acted bona fide and with all reasonable precaution, the defence would fall under cl. (a) and (b), but not under cl. (c), otherwise cl. (a) and (b) would become surplusage and unnecessary as any person who could satisfy the requirements of these two clauses must have been acting in a bona fide with reasonable precautions against committing an offence.

3. Section 41 provides for enhanced penalty on second or subsequent conviction. It states that whoever having already been convicted of an offence under Section 103 or Section 104 is again convicted of any such offence shall be punishable for the second and for every subsequent offence, with imprisonment for a term 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. The proviso states that the court may, for adequate and special reasons to be mentioned in the judgment, impose a sentence for a term less than one year or a fine of less than one lakh rupees. The purpose of enhanced penalty is to produce a deterrent impact on repeat offenders.

4. Section 42 provides penalty for falsely representing a geographical indication as registered

It states that no person shall make any representation with respect to an indication, not being a registered geographical indication, to the effect that it is a registered

geographical indication; or with respect to a part of a registered geographical indication, not being a part separately registered as a geographical indication, to the effect that it is separately registered as a geographical indication; or to the effect that a registered geographical indication is registered in respect of the goods or in respect of which it is not in fact registered; or to the effect that registration of a geographical indication gives an exclusive right to the use thereof in any circumstances in which, having regard to limitation entered on the register, the registration does not in fact give that right. If any person contravenes any of the provisions of sub-section (1), he shall be punishable with imprisonment for a term which may extend to three years, or with fine, or both.

The registration of mark is only effected in relation to particular goods and service and may be subject to conditions and limitations entered on the register. Any representation which does not reflect the position in the register would be a false representation. There is a presumption that the word registered or any other word or symbol for example, regd., R.G.I., imports a reference to the registration. Notably, falsely representing a geographical indication as registered might affect a claim for passing off based on the indication in question.

6. Section 43 provides penalty for improperly describing a place of business as connected with the Geographical Indication Registry. If any person uses on his place of business, or on any document issued by him, or otherwise, words which would reasonably lead to the belief that his place of business is, or is officially connected with, the Geographical indications Office, he shall be punishable with imprisonment for a term which may extend to two years, or with fine, or with both.

7. Section 44 provides penalty for falsification of entries in the Register- If any person makes, or causes to be made, a false entry in the register, or writing falsely purporting to be a copy of an entry in the register, or produces or tenders or causes to be produced or tendered, in evidence any such writing, knowing the entry or writing to be false, he shall be punishable with imprisonment for a term which may extend to two years, or with fine, or with both.

Comments on Section 44

It is an offence to meddle with the Register itself, and as far as its first part is concerned it is unlikely to have much practical importance. The second part would cover, for example, making a forged certificate for registration.

12.5 Procedural Aspects

1. Forfeiture of goods

Forfeiture of goods have been provided for under Section 46. Where a person is convicted of an offence under Section 39-41 or is acquitted of an offence under Section 39-40 on proof that he acted without intent to defraud, or under Section 40 on proof of the matter specified in Clause (a), clause (b) or clause (c) of that section, the court convicting or acquitting him direct the forfeiture to Government of all goods and things by means of, or in relation to, which the offence has been committed, or but for such proof as aforesaid would have been committed.

Forfeiture upon conviction

In event of a forfeiture when a conviction is directed and an appeal lies against the conviction, an appeal shall lie against the forfeiture also. When a forfeiture is directed on a conviction, the court, before whom the person is convicted, may order any forfeited articles to be destroyed or otherwise disposed of as the court thinks fit.

Forfeiture upon acquittal

When a forfeiture is directed upon acquittal and the goods or things to which the direction relates are of value exceeding fifty rupees, an appeal against the forfeiture may be preferred, within thirty days from the date of the direction, to the court to which in applicable cases appeals lie from sentences of the court which directed the forfeiture.

2. Section 48 Procedure where invalidity of registration is pleaded by the accused

Section 48 provides the procedure where the offence is in relation to a registered geographical indication and the accused pleads that the registration of the geographical indication is invalid. If the court is justified that such defence is prima facie tenable, it shall not proceed with the charge but shall adjourn the proceeding for three months from the date on which the plea of the accused is recorded to enable the accused to file an application before the Appellate Board under this Act, for the rectification of the register on the ground that the registration is invalid. If the accused proves to the court that he has made such application within the time so limited or within such further time as the court may for sufficient cause allow, the further proceedings in the prosecution shall stand stayed till the disposal of such application for rectification. If within a period of three months or within such extended time as may be allowed by the court the accused fails to apply to the Appellate Board for rectification of the Register, the court shall proceed with the case as if the registration was valid.

Where before the institution of a complaint of an offence referred to in sub-section (1), any application for the rectification of the register concerning the geographical indication in question on the ground of invalidity of the registration thereof has already been properly made to and is pending before the tribunal, the court shall stay the further proceedings in the prosecution pending the disposal of the application aforesaid and shall determine the charge against the accused in conformity with the result of the application for rectification in so far as the complainant relies upon the registration of his indication.

3. Cognizance of certain offences and the powers of police officer for search and seizure

Section 50 states that no court shall take cognizance of an offence under Section 42, 43, 44 except on a complaint in writing made by the Registrar. The offences under section 39, 40 and 41 are cognizable. No court inferior to that of a Metropolitan Magistrate or Judicial Magistrate of the First Class shall try an offence under this Act. Any police officer not below the rank of Deputy Superintendent of police or

equivalent, may, if he is satisfied that any of the offences under Section 39, 40 and 41, is being, or is likely to be, committed, search and seize without warrant the goods, die, block, machine, plate, other instruments or things involved in committing the offence, wherever found, and all the articles so seized shall, as soon as practicable, be produced before a Judicial Magistrate of the First Class or Metropolitan Magistrate as the case may be: Provided that the police officer, before making any search and seizure, shall obtain the opinion of the Registrar on facts involved in the offence relating to geographical indication and shall abide by the opinion so obtained. Any person having an interest in any article seized under subsection (4), may, within fifteen days of such seizure, make an application to the Judicial Magistrate of the First Class or Metropolitan Magistrate, as the case may be, for such articles being restored to him and the Magistrate, after hearing the applicant and the prosecution, shall make an order on the application as he may deem fit.

12.6 Other Provisions

1. No offence in certain cases

Under Section 45 the provisions of Section 39, 40 and 41 shall, in relation to a registered geographical indication shall be deemed to be an offence under the aforesaid sections, if-

- (a) The alleged offence relates to a registered geographical indication and the act or omission is permitted under this Act; or
- (b) The alleged offence relates to a registered or an unregistered geographical indication and the act or omission is permitted under any other law for the time being in force.

Comment on Section 45

- *Onus/Burden of Proof*

The onus of establishing criminal liability is upon the prosecution. However, when the accused relies upon a defence like he acted without an intent to defraud, or he acted innocently, or sets up a defence under Section 45 the burden shifts upon him to establish the same.

2. Offence by Companies

Section 49 provides that if the person committing an offence under this Act is a company, the company as well as every person in charge of, and responsible to, the company for the conduct of the business at the time of the commission of the offence shall be deemed guilty of the offence and shall be liable to be proceeded against and punished accordingly.

It is further provided that nothing contained in this sub-section shall render any such person liable to any punishment if he proves that the offence was committed without his knowledge or that he has exercised all due diligence to prevent the commission of such offence.

Further notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or that the commission of the offence is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed guilty of that offence and shall be liable to be proceeded against and shall be punished accordingly.

For the purposes of this Section-

(a) "Company" means any body corporate and includes a firm or other association of individuals; and

(b) "director", in relation to a firm, means a partner in the firm.

3. Costs of defence or prosecution

Under Section 51 in event of any prosecution under this Act, the court may order such costs to be paid by the accused to the complainant, or by the complainant to the accused, as the court deems reasonable having regard to all the circumstances of the case and the conduct of the parties and the costs so awarded shall be recoverable as if they were a fine.

5. Limitation of prosecution

Under Section 52 the prosecution should commence before the expiry of three years from the commission of the offence or within two years from the commission of the offence or within two years from the discovery thereof by the prosecutor whichever is earlier.

6. Information as to commission of offence

As a principle any person can provide an information as to the commission of offence. Section 53 states that an officer of the Government whose duty is to take

part in the enforcement of the provisions of this Chapter shall not be compelled in any court to say whence he got any information as to the commission of any offence against this Act.

7. Punishment of Abetment in India or acts done outside India-

An act of abetment also invites penalty against the abettor. Under Section 54, if any person, being within India, of any act which, if committed in India, would, under this Act, be an offence, he may be tried for such abetment in any place in India in which he may be found, and be punished therefor with the punishment to which he would be liable if he had himself committed in that place the act which he abetted.

12.7 Conclusion

The Geographical Indications of Goods (Registration and Protection) Act, 1999 in its Chapter VIII provides for offences and penalties under the Act. It also lays down procedural aspects relating to the same. The offences broadly are of two kinds, offence against someone else's geographical indications and offence against the office and registration process and notice of registration. The act prescribes penalty for applying false geographical indication, for selling goods or providing services bearing false geographical indications, for falsely representing an indication as registered, for improperly describing a place of business as connected with the Geographical Indications Registry, for falsification of entries in the register. It also provides for enhanced penalty against repeat offenders. It also prescribes the procedure of taking cognizance of offences and forfeiture. The law exempts certain persons from liability and also exempts under certain conditions employees in ordinary course of business under specified circumstances.

12.8 Summary

Summary

It is an offence to:

- Falsifying a trademark.
- Falsely applying a trademark.
- Making or possessing instruments for falsifying trademark.
- Applying false indication of country of origin

- Tampering with an indication of origin already applied to goods
- Causing any of the things mentioned in point 1 to 6 to be done
- Selling goods or possessing or exposing for sale of goods falsely marked
- Removing piece goods etc. contrary to Section 81
- Falsely representing a trademark as registered
- Improperly describing a place of business as connected with the Geographical Indication Registry.
- Falsification of entries in the Register
- Forfeiture of goods can also happen in event of an offence committed under this chapter and they might be destroyed as well.
- An abettor is also equally guilty as an offender under the Act.

Self-assessment Questions

Self-Assessment Questions:

1. Write a note on various offences mentioned in under the Geographical Indication Act, 1999.
2. What are the provisions relating to cognizance of offences and forfeiture of goods?
3. Examine the liability of companies under the geographical Indications Act, 1999.

12.9 Further Readings

1. <http://www.ipindia.nic.in/>
2. P. Narayanan, Trademarks and Passing off, Eastern Law House.
3. Avtar Singh, Intellectual Property Rights, Eastern Book Company.
4. P. Narayanan, Trademarks and Passing Off, Eastern Law House.

Unit- 13

Law of Geographical Indication of Goods (Meaning, Nature and Scope of Geographical Indications)

Objectives

- The present unit will discuss the meaning of geographical Indication. It will also discuss international law relating to geographical indication also covering the practice in Europe, because the demand for protection to geographical indication arose from there.
- Further, it will discuss in brief the aims and objectives of the India's Geographical Indication of Goods (Registration and Protection) Act, 1999 along with its aims and objectives. Later it will discuss the aspects related to the registration. Finally, it would analyse the relationship between trademarks and geographical indications.

Structure:

- 13.1 Introduction
- 13.2 Meaning of Geographical Indication
- 13.3 Geographical Indications in TRIPs and pre-TRIPs era
- 13.4 Objectives of the Geographical Indication Act, 1999 of India
- 13.5 Conditions for Registration of Geographical Indication
- 13.6 Process for Registration
- 13.7 Concept of Authorized User
- 13.8 Relationship between Trademarks and Geographical Indication
- 13.9 Conclusion
- 13.10 Self-assessment questions

13.11 Further Readings

13.1 Introduction

Law relating to geographic indications of goods is to protect the identity of goods having a particular geographic origin. The geographic origin is the reason of their particular characteristics or quality. For example Benaras silk sarees, Tirupati's laddoo or scissors from Merrut etc. Under the law relating to trademarks geographical names are not protected because they are considered to be descriptive and therefore non-registrable. Hence, the geographic names could only be protected by the common law remedy of passing off. But with the passage of the Geographical Indications of Goods (Registration and Protection) Act, 1999 the doors to registration and consequent benefits were opened up. It enabled such names to be protected against infringement. As compared to trademarks, geographical Indications are distinctive names or signs identifying products that are manufactured or located in a particular geographical area. There is no one single enterprise which owns them and therefore, unlike trademarks, there is no right conferred on an entity to grant or refuse authorisation on use. Rather, all enterprises located in the specified geographic area are allowed to use these signs on the specific product manufactured by them. All other entities are prohibited from doing so. So geographical indications are to provide protection to goods that can be identified as originating or manufactured in a particular territory or region where its quality, reputation or other characteristics are attributable to its geographical origin. Let us discuss what geographic indications are and the key features of the Act. As well as examine the TRIPs provisions and the interface between trademark and geographical indication.

13.2 Meaning of Geographic Indication

As per Section 2(1)(e) geographical indication in relation to goods means an indication which identifies goods, which may be agricultural goods, natural goods or manufactured goods which originated or manufactured in the territory of a country

or a location or region in that territory. The territory must be such that a given quality, reputation or other characteristics of such goods is essentially attributable to its geographic origin and where such goods are manufactured goodson one of the activities of either the production or of processing or preparation of the goods concerned takes place in such territory, region or locality as the case may be.

For the purposes of the definition any name which is not the name of a country, locality or region of that country will also be considered geographical indication if it relates to a specific geographical area and is used upon or is relation to particular goods originating from that country, region or locality as the case may be.

13.2.1 Geographical Indications in TRIPS and Pre-TRIPS era

Before the advent of the TRIPS agreement there was not a single way to protect geographical indications. Many diverse approaches were observed in different countries. At some places they were protected by law on trademarks, at others by labelling laws or by laws on unfair competition. In common law countries they were protected through passing off action. With the advent of the TRIPS in 1995 a push was given to the need for protection for geographical indications, and that came from developed countries, particularly, France and Switzerland. TRIPS mandated Under Article 22 that member states shall provide the legal means for interested parties to prevent (a) the use of any means in the designation or presentation of a good that indicates or suggests that the good in question originates in a geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of the good; and (b) any use which constitutes an act of unfair competition. Article 23 provides for additional protection for geographical indications for wines and spirits.⁹⁶ Article 24 mandates that member states agree to

⁹⁶Some countries including India attempted to broaden the scope of Article 23 to beverages such as tea, with little success during negotiation rounds. The efforts to review the scope of this Article and were evident in the Council for TRIPS through 2000, with the European Union,

enter into negotiations aimed at increasing the protection of individual geographical indications under Article 23. As a consequence of this mandate and the realisation that it can be used to protect imitations of geographical product by others the Indian Parliament enacted the Geographical Indications of Goods (Registration and Protection) Act in the year 1999 and it came into force on September 15, 2003.

13.4 Objectives of the Geographical Indication Act, 1999 of India

By the year 1999 India does not have any law governing geographical indications of goods which could adequately protect the interests of the producers of such goods. Post TRIPS Agreement Indian Parliament came out with the Geographical indications of Goods (Registration and Protection) Act, 1999 and the underlying Geographical indications of Goods (Registration and Protection) Rules, in the year 2002. It received the assent of the President on 30.12.1999 and came into force on 15.9.2003 vide S.O. 1051 (E). The objectives and the salient features of the act are as following:

- i. Definition of several important terms like “geographical Indication”, “goods”, “producers”, “package”, “registered proprietor”, “authorized user” etc.
- ii. Provision for the establishment of a Geographical Indication Registry;
- iii. Provision for the maintenance of a Register of geographical indications in two parts- Part A and Part B and use of computers etc., for maintenance of such registers. While Part A will contain all registered geographical indications, Part B will contain particulars of the registered authorized users;
- iv. Registration of geographical indications in specified classes;
- v. Prohibition of registration of certain geographical Indications;
- vi. Provisions for framing of rules by Central Government for filing of application, its contents and matters relating to substantive examination of geographical Indication applications;

Switzerland and many central European countries also have an active interest in such expansion to other products such as cheese, chocolates, beer and even embroidery. As noted by R. Anita Rao & V. Bhanoji Rao, *ibid* at p. 27.

- vii. Compulsory advertisements of all accepted geographical indications application and for inviting objections;
- viii. Registration of authorized users of registered geographical Indications and providing infringement action either by a registered proprietor or an authorized user;
- ix. Provision for the renewal, rectification and restoration of geographical indication and authorized users;
- x. Provision for a higher level of protection for notified goods;
- xi. Prohibition of assignment, etc. of a geographical indication as it is a public property;
- xii. Prohibition of registration of a geographical indication as a trademark;
- xiii. Appeal against Registrar's decisions would lie to the Intellectual Property Appellate Board established under the Trademarks Legislation;
- xiv. Provisions relating to offences and penalties;
- xv. Provisions detailing the effects of registration and the rights conferred by registration
- xvi. Provision for reciprocity, powers of the Registrar, maintenance of the index, protection of homonymous geographical indications, etc.

13.5 Conditions for Registration of Geographical Indication

As per Section 11 and Rule 32 the indication should not come within the prohibition of registration of certain geographical indications. Those are given under Section 9 as following:

1. The use of which would be likely to deceive or cause confusion; or
2. The use of which would be contrary to any law for the time being in force; or
3. Which comprises or contains scandalous or obscene matter; or
4. Which comprises or contains any matter likely to hurt the religious susceptibilities of any class or section of the citizens of India; or
5. Which would otherwise be disentitled for the protection in a court; or

6. Which are determined to be generic names or indications of goods⁹⁷ and are, therefore, not to be ceased to be protected in their country of origin, or which has fallen into disuse in that country; or

7. Which although literally true as to the territory, region or locality in which the goods originate, but falsely represent to the persons that the goods originate in another territory, region or locality, as the case may be.

An indication⁹⁸ would become a generic name would be one which although relates to the place where the goods are originally produced or manufactured but has lost its original meaning and has become a common name for such goods and had become an indication of the kind, characteristic, nature, type or other property of the goods.

As far as homonymous indications are concerned, that is, a word or the same spelling or sound but having different meanings may be registered upon the satisfaction of the registrar. He takes into account practical conditions under which the homonymous indication would be differentiated from other homonymous indications. The need to ensure equitable treatment of producers of goods concerned would be taken into account so as to ensure that the consumers of the goods will not be confused or misled in consequence of such registration.

13.6 Process for Registration

Who can apply?

Under Section 11(1) any association of persons or producers⁹⁹ or any organization or authority established by or under any law for the time being in force representing the producers of the concerned goods, who are desirous of registering a geographical indication in relation to such goods may apply.

⁹⁷ Goods has been defined under Section 2 (1)(f) as to mean any agricultural, natural or manufactured goods or any goods of handicraft or of industry and includes foodstuffs.

⁹⁸ Indication has been defined under Section 2 (1)(g) as to include and name, geographical representation or figurative representation or any combination of them conveying or suggesting the geographical origin of goods to which the name indicates.

⁹⁹ Producers has been defined under section 2 (1)(k)

Where to apply

Every application shall be filed in the office of the geographical indication registry within whose territorial limits the territory of the country or the region or locality in the country to which the geographical indication relates to is situated. Where such territory is situated outside India the application shall be filed in the office of the geographical indication registry within whose territorial limits the place mentioned in the address for service in India as disclosed in the application, is situated. The Controller General of the Patents, Designs and Trademarks appointed under the Trademarks Act, 1999 shall be the Registrar of geographical indication. The geographical indication registry has been established with all India jurisdiction at Chennai vide Notification No. S.O. 1052(E) Dt. 15.09.2003. The registry has its own seal. Under Section 6 and Rule 53 a register is kept at the registry which contains the names description and particulars of the proprietor, authorized users and other particulars relating to registered geographical indication. The matters relating to the prescribed form is given in second schedule and fess is given in first schedule. A single application can be made for registration in different class of goods, however, the fee payable in that case should be in respect of each class.

Particulars of application

The application for registration should contain the following particulars:

- i. A statement as to who the geographical indication serves to designate the goods as originating from the concerned territory of the country or region or locality in the country as the case may be as to:
- ii. The class of goods¹⁰⁰ to which the geographical indication will apply. Any question arising as to the class to which the any goods fall or to the definite area in

¹⁰⁰As per Section 8 which provides for the classification of goods. A geographical indication may be registered in respect of any or all of the goods included in one class of the fourth schedule to the rules. The classification of goods adopted in Schedule 4 is the international Classification of goods under the NICE Agreement.

respect of which the geographical indication is to be registered will be determined by the registrar whose decision in the matter shall be final.

iii. The geographical map of the territory of the country or region or locality in the country in which the goods originate or are being manufactured.

iv. The particulars regarding the appearance of the geographical indication as to whether it is comprised of the words or figurative elements or both.

v. A statement containing such particulars of the producers of the concerned goods, if any, proposed to be initially registered with the registration of the geographical indication as may be prescribed.¹⁰¹

vi. Any other particular as may be prescribed.¹⁰²

The statements contained in the application shall also include the following as well:

i. An affidavit as to how the applicant claim to represent the interest of the association of persons or producers or organization or authority established by or under the law;

ii. The standards benchmark for the use of the geographical indication or the industry standard as regards the production, exploitation, making or manufacture of the goods having specific quality goods that is essentially attributable to its geographical origin with the detailed, description of the human creativity involved if any, or other characteristic from the definite territory of the country, region or locality, as the case may be;

iii. The particulars of the mechanism to ensure that the standards, quality, integrity and consistency or other special characteristics in relation of the goods to which the geographical indication relates which are maintained by the producers, make or manufacture of the goods, as the case may be;

iv. Three certified copies of the map of the territory, region or locality showing the title, name of publisher and date of issue along with the application;

¹⁰¹ See Rule 15

¹⁰² See Rule 32 (1)

- v. The particulars of special human skill involved or the uniqueness of the geographical environment or other inherent characteristics associated with the geographical indication to which the application relates;
- vi. The full name and address of the association of persons or organization or authority representing the interest of the producers of the concerned goods;
- vii. Particulars of the inspection structure, if any, to regulate the use of the defined territory or region or locality mentioned in the application;
- viii. Where the geographical indication is a homonymous indication to an already registered geographical indication the material factors differentiating the application from the registered geographical indication and particulars of protective measures adopted by the applicant to ensure consumers of such goods are not confused or misled in consequence of such registration.

Post-application procedure

The first step is examination of application. Section 11(5) and Rule 33 provides for the same. Every application for registration is examined by the registrar as to whether it fulfils the requirements of the Act and the Rules. For that purpose he constitutes a consultative group consisting of not more than 7 members. The members have expertise in different fields including law. The matter should ordinarily be decided within 3 months from the date of constitution of the group. The registrar will then issue an examination report on the application to the applicant. Under Rule 34 (1) objections if any raised by the registrar has to be communicated to the applicant and if he proposes any amendment or modification or limitations for acceptance the same also needs to be communicated. The applicant is required to make such amendments or apply for hearing within 2 months upon failure the application later will be refused. The decision of the Registrar after the hearing or without hearing shall be communicated to the applicant under Rule 35. If he intends to appeal he may request the Registrar within one month to state in writing the grounds of, and the material used by him in arriving at the decision. Where the application for registration is accepted the same must be published in the journal

within three months of the acceptance under Section 13 and Rules 38-40. Subsequently it can be opposed by any person within three months from the date of advertisement of publication under Section 14 Rules 41-51. After completion of the evidence in an opposition proceeding the Registrar will fix a date for hearing and notify the parties. The notice will be given within three months of the completion of evidence. Any party who intends to appear shall notify the registrar within 14 days from the date of notice of the registrar. Any party who does not so notify will be treated as not desiring to be heard and the registrar will proceed ex parte in the matter. If the opponent is not present at the hearings and has not notified his intention to appear at the hearing the registrar may treat the opposition as dismissed. Similarly, if the applicant is not present at the hearing and has not notified his intention to appear the registrar may treat the application as dismissed. The Registrar should take on record written arguments if submitted by a party. He has also the power to limit the time for oral hearings. The decision of the registrar is notified to the parties in writing. In case of non-completion of the registration a notice regarding the same will be sent to the applicant at his principle place of business or address of service (Section 16 (3) and Rule 52). The notice will specify twenty one days from the date thereof or such further time as the registrar may allow on a request made in the prescribed form for the completion of the registration. Registration happens under Section 16 and Rule 53-55. Where an application for registration is free from objections and satisfies the requirements of the Act and rules and where it was opposed the opposition is decided in the favour the geographical indication will be indicated in the Part A register. The registered entry shall include following particulars:

- i. Date of registration which is same as the date of application
- ii. The actual date of registration.
- iii. The goods and the class in respect of which the geographical indication is registered.
- iv. The name and description of the applicant for registration, the address of his principal place of business, if any, of the proprietor of the geographical indication, or

in the case of an association of persons, of such of the association of person as have a principal place of business in India.

v. Where the proprietor of the geographical indication has no place of business in India, the address of service as entered in the application for registration together with his address in his home country.

vi. In the case of an association of persons or producers, where none of the association of persons or producers has a principal place of business in India the address of service in India as given in the application together with the address of each of association of persons or producers in his home country.

vii. Particulars of the trade, business, profession, occupation or other description of the proprietor or of the association of persons or producers of the geographical indication as entered in the application for registration.

viii. Particulars affecting the scope of the registration or the rights conferred by the registration.

ix. The priority date, if any, to be accorded pursuant claim to a right of a convention application made under Section 84.

x. A summary of the particulars furnished under Rule 32 as finally accepted by the registrar.

xi. The appropriate office of the geographical registry in relation to the geographical indication.

xii. A representation of the geographical indication.

Certificate of registration is provided for under Section 16 (2) and Rule 55. It shall be in Form 02. It will be issued to the proprietor of the geographical indication. If an authorized user is subsequently entered in the register the certificate to that effect will be issued to the authorized user.

Duration, Renewal and Restoration of Registration

Under Section 18 the duration of registration in for a period of ten years, but may be renewed from time to time on making an application in the prescribed form G1-4 or G1-3 as the case may be accompanied by the prescribed fee. The registration of an

authorized user is also for a period of ten years or till the expiry of the registration of geographical indication, whichever is earlier. It may also be renewed from time to time at intervals of ten years.

The registrar issues a notice, before the expiry of the last registration, to the registered proprietor and the authorized user, the date of expiry, and if by the date of expiry the conditions, required by the registrar, including the payment of renewal fee is not complied with, the registrar will remove the geographical indication, or the authorized from the register. If, however an application is made in the prescribed form along with the prescribed fee and surcharge is paid within six months from the date of expiration of the last registration of the geographical indication, or of the authorized user as the case may be, the registrar will renew the registration of geographical indication, or of the authorized user, as the case may be for a period of ten years.

Where a registration is removed from the register for non-payment of renewal fee the registrar will after six months and within one year from the expiration of last registration of the registration as the case may be, on receipt of an application in the prescribed form and the prescribed fee, if satisfied, restore the geographical indication or the authorized user as the case may be, either generally or subject to such conditions or limitations as he thinks fit to impose and renew registration of the geographical indication or the authorized user for a period of ten years. If this is not done the registrar may advertise the removal in the journal.

Effect of Removal

Under Section 19 where a registration has been removed due to failure to pay the renewal fee it shall nevertheless for the purpose of any application for registration of another geographical indication during one year, next after the date of removal, be deemed to be a geographical indication already on register, unless the tribunal is satisfied either –

- a. That there has been bona fide trade use of the geographical indication which has been removed within the two years immediately preceding its removal, or
- b. That no deception or confusion would be likely to arise from the use of the geographical indication which is the subject of the application for registration by reason of any previous use of the geographical indication which has been removed.

After the restoration is effected the registrar will send a notice to the registered proprietor or the authorized user of the restoration as the case may be and advertise the restoration in the journal.

13.7 Authorized User

Under the Act, a geographical indication is registered in the name of an association of persons or producers or any organization or authority established by law representing the interest of the producers. Section 24 of the Act that the right to a registered geographical indication is not the subject matter of assignment, transmission, licensing, pledge, mortgage, or any such other agreement. Therefore, there is a prohibition on assignment or transmission etc. so how then producers will be able to use it because it is the producers of the goods are the persons who actually use that indication upon their products. The answer lies in registration as an authorized user. The registered proprietor authorizes the use the indication by the producers. The Act provides for the registration of such authorized users in order to secure that only genuine producers are allowed to use the geographical indication and to prevent the fraudulent use of the indication. It defines authorized user under Section 2 (1) (b) as to mean the authorized user of a geographical indication registered under Section 17. The only permitted exception in transmission of geographical indication is on the event of the death of the authorized user his right in a registered geographical indication will devolve on his successor in title under the law for the time being in force.

Section 17 and Rule 56 provides that any person claiming to be the producer of the goods in respect of which registration has been done may apply on Form G 1-3 to the registrar for registering him as an authorized user. The application should be accompanied by a statement of case as to how he claims to be the producer of such goods along with an affidavit. A copy of the letter of consent obtained from the registered proprietor shall also accompany the application. Where such consent letter is not been attached a copy of application be endorsed to the registered proprietor for information and the registrar should be intimated of due service by the proposed authorized user. The registrar will cause the application to be examined and will issue a report. Where an opposition to registration is filed and decided in favour of the applicant or no opposition is filed, the registrar will enter the authorized user in part B of the register on receipt of the registration fee and issue a registration certificate in Form G1-3. The entries in the register shall contain the following particulars:

- i. The date of filing of application for registration as an authorized user, the actual date of registration, the goods or class in respect of which it is registered and all particulars as required by Section 6 (1).
- ii. The address of the principal place of business, if any, in India, of the registered proprietor of the geographical indication.
- iii. Particulars of the geographical indication registered including the specification of goods and class in which it is registered.
- iv. The address of the principal place of business in India, if any, of the authorized user.
- v. Where the authorized user has no place of business in India, his address of service in India as entered in the application for registration.
- vi. The priority date, if any, accorded pursuant to a convention application made under Section 84.
- vii. The appropriate office of geographical indication registry.

The registrar may issue a duplicate or further copies of the certificate of registration as an authorized user on a request Form G1-7

13.8 Relationship between Trademarks and Geographical Indication

The Act provides special provisions relating to trademarks and prior users and geographical indications. One notable difference is, that the, Geographical Indications Act, 1999 prohibits assignment and transmissions, etc, of the registered geographical indication which is not the case under Trademarks Act, 1999. Another is that trademark law confers an exclusive right upon the registered proprietor to use the mark upon his goods or use it to designate his services so it is in nature a private property. While under the Geographical Indications Act, 1999 the registered proprietor is not the sole person to use it rather it's the producers who had registered themselves as an authorized user can use it to designate the geographical origin of their products so it is in its nature a public property. As compared to trademarks, geographical Indications are distinctive names or signs identifying products that are manufactured or located in a particular geographical area. There is no one single enterprise which owns them and therefore, unlike trademarks, there is no right conferred on an entity to grant or refuse authorisation on use.¹⁰³ Rather, all enterprises located in the specified geographic area are allowed to use these signs on the specific product manufactured by them. All other entities are prohibited from doing so. So geographical indications are to provide protection to goods that can be identified as originating or manufactured in a particular territory or region where its quality, reputation or other characteristics are attributable to its geographical origin. Under Section 25 a registered geographical indication is not registrable as a trademark in respect of the same goods or class of goods. A trademark consisting of a geographical indication with respect to goods not originating in the territory of a country or a region or locality in that territory is of such a nature as to confuse or mislead the persons as to the true place of the origin of such goods, will be refused

¹⁰³See R. Anita Rao & V. Bhanoji Rao, Intellectual Property Rights – A Primer, Eastern Book Company, 1st Ed. 2008, At p. 26

registration and if registered will be invalidated *suo motu* or at the request of an interested party by the registrar.

A trademark containing or consisting of a geographical indication identifying certain goods which has been provided with additional protection under Section 22 (2) will also be treated in the same manner.

These provisions are analogous to the provisions under the Trademarks Act, 1999 for the non-registration of a certification trademark as a trademark for the same goods. The object of this provision is to prevent the registration of a mark both as a trademark and geographical indication and as a trademark which will obviously confuse the consumers.

On the other hand the Act also provides for protection of certain trademarks. If a trademark consisting of or containing a geographical indication which has already been registered before the commencement of the Act or before the date of filing of application for registration as a geographical indication the registrability or the validity of the registration will not be affected. Thus prior registration or prior adoption of trademark identical or similar to a geographical indication is protected. The provisions of the Act will not apply to a geographical indication with respect to goods which is identical with the term customary in common language as the common name of such goods in any part of India on or before 1st day of January, 1995. The provisions of this Act will not prejudice the right of any person to use, in the course of trade, that person's name or the name of his predecessor in business, except that where such name is used in a manner confusing or misleading the public.

No action in connection with the use or registration of a trademark will be taken in the following circumstances:

- i. Five years have expired from the date on which such use or registration infringed any registered geographical indication.
- ii. The above fact was known to the registered proprietor or authorized user of the geographical indication.

- iii. The trademark has been published under the Act by that date.
- iv. The date of publication is prior to the date on which the infringement was known to the proprietor or authorized user of the geographical indication.
- v. The geographical indication is not registered or used in bad faith of application for registration of a trademark.

Procedure for refusal or invalidation is given under Rules 74-76

Where the Registrar of trademark on his own motion decides to refuse the registration of a trademark applied for, or invalidate a registered trademark pursuant to Section 25 clause (a) he will in writing notify the applicants or the registered proprietor of the trademark, as the case may be, stating the reasons for the same. The Registrar will thereafter decide the case, giving the applicant or the registered proprietor, as the case may be, an opportunity of being heard.

A request for refusal or invalidation of a trademark should be made in the prescribed form under the Trademark Rules, 2002. In case of a refusal of such refusal request the Registrar of trademark will forward the same to the applicant and provide an opportunity of being heard to the applicant. In case of refusal of an invalidation the registrar will forward the request to the registered proprietor and the procedure set out in Rule 93 of the Trademark Rules, 2002 shall apply mutatis mutandis, to further proceedings in the matter.

Rule 76 (1) provides for the publication of refusal or invalidation of geographical indication. The registrar of trademark will record and publish a reference to the refusal or the invalidation of the registration of a trademark pursuant to Section 25 and forward a copy of the same to the Registrar of geographical indication. The publication shall include:

- i. The representation of the mark.
- ii. The application or registration number of the trademark, as the case may be.

- iii. The name and address of the applicant or the registered proprietor as the case may be.
- iv. The date of application or the date of registration in the case of a registered trademark, as the case may be.
- v. The list of goods or class of goods in respect of which the trademark was applied for or was registered.
- vi. A summary of the ground on which the application for registration of trademark had been refused or the registration of the trademark was invalidated.

13.9 Conclusion

The Geographical Indications (Registration and Protection) Act, 1999 was drafted for the purpose of excluding unauthorized users from misusing geographical indications in order to protect consumers from deception and to add to the economic prosperity of the producers of such goods and to promote goods bearing Indian geographical indication in the export market. For that purpose an elaborate scheme of registration process had been laid down in the Act and the underlying Rules. The act though confers registration upon the registered proprietor but he is prohibited from transacting in the same while the producers having legitimate interest in using that geographical indication can register themselves as authorized users under the Act. This lends to the geographical indications the nature of being a public property unlike trademarks which is a private property. The Act also provides for the refusal and invalidation of a trademark if it is a geographical indication.

13.10 Self- assessment Questions

1. What do you understand by the term Geographical Indications?
2. Examine the provision under the TRIPs relating to geographical indications.
3. Elaborate the key features of the Geographical Indication of Goods (Registration and Protection) Act, 1999
4. What sort of indications are not registrable as geographical indications?

5. Elaborate upon the procedure for registration of a geographical indication.
6. What is the difference between a trademark and a geographical indication/
7. Shed light on provisions which are related to prohibition of a trademark if it is a geographical indication and under what circumstance the trademark can survive.
8. What is the effect of removal from the register

13.11 Suggested Readings

1. Indian patent office website
2. P. Narayanan, Law of trademark and Passing off, Eastern Law House
3. Avtar Singh, Intellectual Property Rights, Eastern Book Company.
4. P. Narayanan, Trademarks and Passing Off, Eastern Law House.

Unit-14

International Conventions and Agreements relating to Geographical Indication

Objectives

The object of this Unit is to apprise Students about the

- International Conventions for the Geographical Indication.
- International Agreements for the Geographical Indication.
- Effects and Analysis of these conventions and agreements.

Structure

14.1 Introduction

14.2 International Conventions for the Geographical Indication

14.3 International Agreements for the Geographical Indication

14.4 Effects and Analysis of these conventions and agreements

14.5 Summary

14.6 Self Assessment Test

14.7 Suggested Readings

14.1 Introduction

Conventions, treaties and agreements plays very important role in international communities to operate their work and settle their disputes in amicable manner.

Convention: A international convention is a set of agreed, stipulated, as generally accepted standards, norms, social norms, or criteria, often taking the form of a custom.

A convention, in the sense of a meeting, is a gathering of individuals who meet at an arranged place and time in order to discuss or engage in some common interest. The most common conventions are based upon industry, profession, and fandom. Trade conventions typically focus on a particular industry or industry segment, and feature keynote speakers, vendor displays, and other information and activities of interest to the event organizers and attendees. Professional conventions focus on issues of

concern to the profession and advancements in the profession. Such conventions are generally organized by societies dedicated to promotion of the topic of interest.

Treaty: An Agreement in International law between parties/ states

14.2 International Conventions for the Geographical Indication

International Treaties - Geographical Indications

A number of international treaties deal partly or entirely with the protection of geographical indications. Below are links to relevant treaties administered by WIPO, as well as to the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) of the World Trade Organization (WTO).

National and regional laws governing the protection of geographical indications can Paris Convention for the Protection of Industrial Property. The first major international agreement covering patents, designs and marks. Article 10 and 10ter of this Convention address false indications of the source of goods

- Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods
- The system of international registration of marks is governed by two treaties: the Madrid Agreement Concerning the International Registration of Marks (referred as 'Madrid Agreement' in brief), which dates from 1891, and the Protocol Relating to the Madrid Agreement (hereinafter referred as 'Madrid Protocol' in brief),
- which was adopted in 1989, entered into force on December 1, 1995, and came into operation on April 1, 1996. Common Regulations under the Agreement and Protocol also came into force on that date.¹⁰⁴

WIPO-administered treaties governing registration systems for obtaining protection

- Lisbon Agreement for the Protection of Appellations of Origin and their International Registration
- Madrid Agreement Concerning the International Registration of Marks
- Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (which also provides for the international registration of certification marks)

WTO TRIPS Agreement

¹⁰⁴ http://www.ipindia.nic.in/Whats_New/guidelines_MadridProtocol_17December2013.pdf

The TRIPS Agreement (articles 22 to 24) addresses the international protection of GIs within the framework of the World Trade Organization (WTO)

- Overview of the TRIPS Agreement on the WTO website¹⁰⁵

14.3 International Agreements for the Geographical Indication

Agreement on Trade-Related Aspects of Intellectual Property Rights

WTO Agreement on Trade-Related Aspects of Intellectual Property Rights ("TRIPS") defines "geographical indications" as indications that identify a good as "originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographic origin."^[3]

In 1994, when negotiations on the WTO TRIPS were concluded, governments of all WTO member countries (155 countries, as of 10 May 2012) had agreed to set certain basic standards for the protection of GIs in all member countries. There are, in effect, two basic obligations on WTO member governments relating to GIs in the TRIPS agreement:

1. **Article 22 of the TRIPS Agreement** says that all governments must provide legal opportunities in their own laws for the owner of a GI registered in that country to prevent the use of marks that mislead the public as to the geographical origin of the good. This includes prevention of use of a geographical name which although literally true "falsely represents" that the product comes from somewhere else.^[4]
2. **Article 23 of the TRIPS Agreement** says that all governments must provide the owners of GI the right, under their laws, to prevent the use of a geographical indication identifying wines not originating in the place indicated by the geographical indication. This applies *even where the public is not being misled*, where there is no unfair competition and where the true origin of the good is indicated or the geographical indication is accompanied by expressions such as "kind", "type", "style", "imitation" or the like. Similar protection must be given to geographical indications identifying spirits.^[5]

Article 22 of TRIPS also says that governments may refuse to register a trademark or may invalidate an existing trademark (if their legislation permits or at the request of

¹⁰⁵ http://www.wipo.int/geo_indications/en/treaties.html

another government) if it misleads the public as to the true origin of a good. Article 23 says governments may refuse to register or may invalidate a trademark that conflicts with a wine or spirits GI whether the trademark misleads or not.

Article 24 of TRIPS provides a number of exceptions to the protection of geographical indications that are particularly relevant for geographical indications for wines and spirits (Article 23). For example, Members are not obliged to bring a geographical indication under protection where it has become a generic term for describing the product in question. Measures to implement these provisions should not prejudice prior trademark rights that have been acquired in good faith; and, under certain circumstances — including long-established use — continued use of a geographical indication for wines or spirits may be allowed on a scale and nature as before.^[6]

In the Doha Development Round of WTO negotiations, launched in December 2001, WTO member governments are negotiating on the creation of a 'multilateral register' of geographical indications. Some countries, including the EU, are pushing for a register with legal effect, while other countries, including the United States, are pushing for a non-binding system under which the WTO would simply be notified of the members' respective geographical indications.

Some governments participating in the negotiations (especially the European Communities) wish to go further and negotiate the inclusion of GIs on products other than wines and spirits under Article 23 of TRIPS. These governments argue that extending Article 23 will increase the protection of these marks in international trade. This is a controversial proposal, however, that is opposed by other governments including the United States who question the need to extend the stronger protection of Article 23 to other products. They are concerned that Article 23 protection is greater than required, in most cases, to deliver the consumer benefit that is the fundamental objective of GIs laws.¹⁰⁶

TRIPS Agreement: Trademarks

The basic rule contained in Article 15 is that any sign, or any combination of signs, capable of distinguishing the goods and services of one undertaking from those of other undertakings, must be eligible for registration as a trademark, provided that it

¹⁰⁶ https://en.wikipedia.org/wiki/Geographical_indication

is visually perceptible. Such signs, in particular words including personal names, letters, numerals, figurative elements and combinations of colors as well as any combination of such signs, must be eligible for registration as trademarks.

Where signs are not inherently capable of distinguishing the relevant goods or services, Member countries are allowed to require, as an additional condition for eligibility for registration as a trademark, that distinctiveness has been acquired through use. Members are free to determine whether to allow the registration of signs that are not visually perceptible (e.g. sound or smell marks).

Members may make registrability depend on use. However, actual use of a trademark shall not be permitted as a condition for filing an application for registration, and at least three years must have passed after that filing date before failure to realize an intent to use is allowed as the ground for refusing the application (Article 14.3).

The Agreement requires service marks to be protected in the same way as marks distinguishing goods (see e.g. Articles 15.1, 16.2 and 62.3).

The owner of a registered trademark must be granted the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion must be presumed (Article 16.1).

The TRIPS Agreement contains certain provisions on well-known marks, which supplement the protection required by Article 6*bis* of the Paris Convention, as incorporated by reference into the TRIPS Agreement, which obliges Members to refuse or to cancel the registration, and to prohibit the use of a mark conflicting with a mark which is well known. First, the provisions of that Article must be applied also to services. Second, it is required that knowledge in the relevant sector of the public acquired not only as a result of the use of the mark but also by other means, including as a result of its promotion, be taken into account. Furthermore, the protection of registered well-known marks must extend to goods or services which are not similar to those in respect of which the trademark has been registered,

provided that its use would indicate a connection between those goods or services and the owner of the registered trademark, and the interests of the owner are likely to be damaged by such use (Articles 16.2 and 3).

Members may provide limited exceptions to the rights conferred by a trademark, such as fair use of descriptive terms, provided that such exceptions take account of the legitimate interests of the owner of the trademark and of third parties (Article 17).

Initial registration, and each renewal of registration, of a trademark shall be for a term of no less than seven years. The registration of a trademark shall be renewable indefinitely (Article 18).

Cancellation of a mark on the grounds of non-use cannot take place before three years of uninterrupted non-use has elapsed unless valid reasons based on the existence of obstacles to such use are shown by the trademark owner. Circumstances arising independently of the will of the owner of the trademark, such as import restrictions or other government restrictions, shall be recognized as valid reasons of non-use. Use of a trademark by another person, when subject to the control of its owner, must be recognized as use of the trademark for the purpose of maintaining the registration (Article 19).

It is further required that use of the trademark in the course of trade shall not be unjustifiably encumbered by special requirements, such as use with another trademark, use in a special form, or use in a manner detrimental to its capability to distinguish the goods or services (Article 20).

Geographical indications

Geographical indications are defined, for the purposes of the Agreement, as indications which identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin (Article 22.1). Thus, this definition specifies that the quality, reputation or other characteristics of a good can each be a sufficient basis for eligibility as a

geographical indication, where they are essentially attributable to the geographical origin of the good.

In respect of all geographical indications, interested parties must have legal means to prevent use of indications which mislead the public as to the geographical origin of the good, and use which constitutes an act of unfair competition within the meaning of Article 10*bis* of the Paris Convention (Article 22.2).

The registration of a trademark which uses a geographical indication in a way that misleads the public as to the true place of origin must be refused or invalidated *ex officio* if the legislation so permits or at the request of an interested party (Article 22.3).

Article 23 provides that interested parties must have the legal means to prevent the use of a geographical indication identifying wines for wines not originating in the place indicated by the geographical indication. This applies even where the public is not being misled, there is no unfair competition and the true origin of the good is indicated or the geographical indication is accompanied by expressions such as "kind", "type", "style", "imitation" or the like. Similar protection must be given to geographical indications identifying spirits when used on spirits. Protection against registration of a trademark must be provided accordingly.

Article 24 contains a number of exceptions to the protection of geographical indications. These exceptions are of particular relevance in respect of the additional protection for geographical indications for wines and spirits. For example, Members are not obliged to bring a geographical indication under protection, where it has become a generic term for describing the product in question (paragraph 6). Measures to implement these provisions shall not prejudice prior trademark rights that have been acquired in good faith (paragraph 5). Under certain circumstances, continued use of a geographical indication for wines or spirits may be allowed on a scale and nature as before (paragraph 4). Members availing themselves of the use of these exceptions must be willing to enter into negotiations about their continued application to individual geographical indications (paragraph 1). The exceptions cannot be used to diminish the protection of geographical indications that existed prior to the entry into force of the TRIPS Agreement (paragraph 3). The TRIPS

Council shall keep under review the application of the provisions on the protection of geographical indications (paragraph 2).¹⁰⁷

Madrid Agreement Concerning the International Registration of Marks

The Madrid System for the International Registration of Marks is governed by the Madrid Agreement, concluded in 1891, and the Protocol relating to that Agreement, concluded in 1989. The system makes it possible to protect a mark in a large number of countries by obtaining an international registration that has effect in each of the designated Contracting Parties.

Summary of the Madrid Agreement Concerning the International Registration of Marks (1891) and the Protocol Relating to that Agreement (1989)

Introduction

The Madrid System for the 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, concluded in 1989, which aims to make the Madrid system more flexible and more compatible with the domestic legislation of certain countries or intergovernmental organizations that had not been able to accede to the Agreement.

States and organizations 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 that has effect in each of the designated Contracting Parties.

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 of the Contracting Party with which the applicant has the necessary connections (referred to as the office of origin). However, where all the designations are effected under the Protocol (see below), the

¹⁰⁷ https://www.wto.org/english/tratop_e/trips_e/intel2_e.htm

international application may be based simply on an 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 in which 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 the Protocol, depending on which treaty is common to the Contracting Parties concerned. If both Contracting Parties are party to the Agreement and the Protocol, the designation will be governed by the Protocol.

International applications can be filed in English, French or Spanish, irrespective of which treaty or treaties govern the application, unless the office of origin restricts that choice to one or two of these languages.

The filing of an international application is subject to the payment of a basic fee (which is reduced to 10 per cent of the prescribed amount for international applications filed by applicants whose country of origin is an 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 replaced by an individual fee, whose amount is determined by the Contracting Party concerned but may not be higher than the amount that would be payable for the registration of a mark, at the national level, with its office.

International Registration

Once the International Bureau receives an 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. If there are no irregularities in the application, the International Bureau records the mark in the International Register, publishes the international registration in the *WIPO Gazette of International Marks* (hereinafter referred to as "the

Gazette"), and notifies it to each designated Contracting Party. Any matter of substance, such as whether the mark qualifies for protection or whether it is in conflict with a mark registered previously in a particular Contracting Party, is determined by that Contracting Party's trademark office under the applicable domestic legislation. The Gazette is available in electronic form (e-Gazette) on the Madrid system website.

Statement of Grant of Protection or Refusal of Protection

The office of each designated Contracting Party shall issue a statement of grant of protection under Rule 18*ter* of the Common Regulations.

However, when designated Contracting Parties 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 an indication of the grounds on which it is based, must be communicated to the International Bureau, normally within 12 months from the date of 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. That Contracting Party may also declare that a refusal based on an opposition may be communicated to the International Bureau even after the 18-month time limit.

The refusal is communicated to the holder of the registration or the holder's representative before the International Bureau, 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 by the competent administration and/or court of the Contracting Party concerned and the holder, without the 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, 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 is, from the date of the international registration, the same as if it had been registered by the office of that Contracting Party.

An international registration is effective for 10 years. It may be renewed for further periods of 10 years on payment of the prescribed fees.

Protection may be limited with regard to some or all of the goods or services or may be renounced with regard to some only 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 of the goods or services indicated.

Advantages of the Madrid System

The Madrid system offers several advantages for trademark owners. Instead of filing a separate national application in each country of interest, in several different languages, in accordance with different national or regional 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 (English, French or Spanish) and paying one set of fees.

Similar advantages exist for maintaining and renewing a registration. Likewise, if the international registration is assigned to a third party, or is otherwise changed, such as a change in name and/or address, this may be recorded with effect for all designated Contracting Parties by means of a single procedural step.

To facilitate the work of the users of the Madrid system, the International Bureau publishes a *Guide to the International Registration of Marks under the Madrid Agreement and the Madrid Protocol*.

The Madrid Agreement and Protocol are open to any State party to the Paris Convention for the Protection of Industrial Property (1883). The two treaties are parallel and independent, and States may adhere to either or both of them. In addition, an intergovernmental organization that 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.¹⁰⁸

Lisbon Agreement for the Protection of Appellations of Origin and their International Registration

The Lisbon Agreement provides for the protection of appellations of origin, that is, the "geographical denomination of a country, region, or locality, which serves to designate a product originating therein, the quality or characteristics of which are due exclusively or essentially to the geographic environment, including natural and

¹⁰⁸ http://www.wipo.int/treaties/en/registration/madrid/summary_madrid_marks.html

human factors". The Bulletin "Appellations of Origin" is the official publication of the Lisbon system.

Summary of the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration (1958)

The Lisbon Agreement provides for the protection of appellations of origin, that is, the "geographical denomination of a country, region, or locality, which serves to designate a product originating therein, the quality or characteristics of which are due exclusively or essentially to the geographic environment, including natural and human factors" (Article 2). Such denominations are registered by the International Bureau of WIPO in Geneva upon the request of the competent authority of a Contracting State. The International Bureau keeps the International Register of Appellations of Origin and formally notifies the other Contracting States of the registrations. It also publishes them in the Lisbon system's official bulletin *Appellations of Origin*. A Contracting State may declare, within one year of receiving the notice of registration, that it cannot ensure the protection of a registered appellation within its territory (Article 5(3)). Such a declaration must include grounds for the refusal of protection. Contracting States may subsequently withdraw a refusal, according to a procedure foreseen under the Lisbon system. A registered appellation will be protected against usurpation or imitation, even when used in translation or accompanied by words such as "kind", "type" or the like (Article 3), and may not be deemed to have become generic in a Contracting State as long as it continues to be protected in the country of origin (Article 6).

Since January 2010, Contracting States have had the option to issue a statement of grant of protection, thus improving communication regarding the status of international registrations in member countries. These statements can be issued by Contracting States that know, well before the expiry of the one-year refusal period under Article 5(3), that they will not issue a declaration of refusal of protection; or the statement can take the place of the notification of withdrawal of a refusal already given.

The Lisbon Agreement, concluded in 1958, was revised at Stockholm in 1967, and amended in 1979. The Lisbon Agreement created a Union which has an Assembly. Every State member of the Union that has adhered to at least the administrative and final clauses of the Stockholm Act is a member of the Assembly.

The Agreement is open to States party to the Paris Convention for the Protection of Industrial Property (1883). Instruments of ratification or accession must be deposited with the Director General of WIPO.

The Geneva Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications (not yet in force)

The Diplomatic Conference for the Adoption of a New Act of the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration which took place from May 11 to 21, 2015, adopted the Geneva Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications.

Treaty and Acts

- Lisbon Agreement for the Protection of Appellations of Origin and their International Registration (as amended on September 28, 1979)
- Geneva Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications (as adopted on May 20, 2015)

Regulations

- Regulations under the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration (as in force on January 1, 2012)
- Regulations under the Geneva Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications (as adopted on May 20, 2015)

Administrative instructions

- Administrative Instructions for the application of the Lisbon Agreement (as in force on January 1, 2010)

TRIPS : A MORE DETAILED OVERVIEW OF THE TRIPS AGREEMENT

The TRIPS Agreement, which came into effect on 1 January 1995, is to date the most comprehensive multilateral agreement on intellectual property.

The areas of intellectual property that it covers are: copyright and related rights (i.e. the rights of performers, producers of sound recordings and broadcasting organizations); trademarks including service marks; geographical indications including appellations of origin; industrial designs; patents including the protection of new varieties of plants; the layout-designs of integrated circuits; and undisclosed information including trade secrets and test data.

The three main features of the Agreement are:

Standards. In respect of each of the main areas of intellectual property covered by the TRIPS Agreement, the Agreement sets out the minimum standards of protection to be provided by each Member. Each of the main elements of protection is defined, namely the subject-matter to be protected, the rights to be conferred and permissible exceptions to those rights, and the minimum duration of protection. The Agreement sets these standards by requiring, first, that the substantive obligations of the main conventions of the WIPO, the Paris Convention for the Protection of Industrial Property (Paris Convention) and the Berne Convention for the Protection of Literary and Artistic Works (Berne Convention) in their most recent versions, must be complied with. With the exception of the provisions of the Berne Convention on moral rights, all the main substantive provisions of these conventions are incorporated by reference and thus become obligations under the TRIPS Agreement between TRIPS Member countries. The relevant provisions are to be found in Articles 2.1 and 9.1 of the TRIPS Agreement, which relate, respectively, to the Paris Convention and to the Berne Convention. Secondly, the TRIPS Agreement adds a substantial number of additional obligations on matters where the pre-existing conventions are silent or were seen as being inadequate. The TRIPS Agreement is thus sometimes referred to as a Berne and Paris-plus agreement.

Enforcement. The second main set of provisions deals with domestic procedures and remedies for the enforcement of intellectual property rights. The Agreement lays down certain general principles applicable to all IPR enforcement procedures. In addition, it contains provisions on civil and administrative procedures and remedies, provisional measures, special requirements related to border measures and criminal procedures, which specify, in a certain amount of detail, the procedures and remedies that must be available so that right holders can effectively enforce their rights.

Dispute settlement. The Agreement makes disputes between WTO Members about the respect of the TRIPS obligations subject to the WTO's dispute settlement procedures.

In addition the Agreement provides for certain basic principles, such as national and most-favoured-nation treatment, and some general rules to ensure that procedural difficulties in acquiring or maintaining IPRs do not nullify the substantive benefits that should flow from the Agreement. The obligations under the Agreement will

apply equally to all Member countries, but developing countries will have a longer period to phase them in. Special transition arrangements operate in the situation where a developing country does not presently provide product patent protection in the area of pharmaceuticals.

The TRIPS Agreement is a minimum standards agreement, which allows Members to provide more extensive protection of intellectual property if they so wish. Members are left free to determine the appropriate method of implementing the provisions of the Agreement within their own legal system and practice.

Certain general provisions

As in the main pre-existing intellectual property conventions, the basic obligation on each Member country is to accord the treatment in regard to the protection of intellectual property provided for under the Agreement to the persons of other Members. Article 1.3 defines who these persons are. These persons are referred to as “nationals” but include persons, natural or legal, who have a close attachment to other Members without necessarily being nationals. The criteria for determining which persons must thus benefit from the treatment provided for under the Agreement are those laid down for this purpose in the main pre-existing intellectual property conventions of WIPO, applied of course with respect to all WTO Members whether or not they are party to those conventions. These conventions are the Paris Convention, the Berne Convention, International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations (Rome Convention), and the Treaty on Intellectual Property in Respect of Integrated Circuits (IPIC Treaty).

Articles 3, 4 and 5 include the fundamental rules on national and most-favoured-nation treatment of foreign nationals, which are common to all categories of intellectual property covered by the Agreement. These obligations cover not only the substantive standards of protection but also matters affecting the availability, acquisition, scope, maintenance and enforcement of intellectual property rights as well as those matters affecting the use of intellectual property rights specifically addressed in the Agreement. While the national treatment clause forbids discrimination between a Member's own nationals and the nationals of other Members, the most-favoured-nation treatment clause forbids discrimination between the nationals of other Members. In respect of the national treatment obligation, the

exceptions allowed under the pre-existing intellectual property conventions of WIPO are also allowed under TRIPS. Where these exceptions allow material reciprocity, a consequential exception to MFN treatment is also permitted (e.g. comparison of terms for copyright protection in excess of the minimum term required by the TRIPS Agreement as provided under Article 7(8) of the Berne Convention as incorporated into the TRIPS Agreement). Certain other limited exceptions to the MFN obligation are also provided for.

The general goals of the TRIPS Agreement are contained in the Preamble of the Agreement, which reproduces the basic Uruguay Round negotiating objectives established in the TRIPS area by the 1986 Punta del Este Declaration and the 1988/89 Mid-Term Review. These objectives include the reduction of distortions and impediments to international trade, promotion of effective and adequate protection of intellectual property rights, and ensuring that measures and procedures to enforce intellectual property rights do not themselves become barriers to legitimate trade. These objectives should be read in conjunction with Article 7, entitled "Objectives", according to which the protection and enforcement of intellectual property rights should contribute to the promotion of technological innovation and to the transfer and dissemination of technology, to the mutual advantage of producers and users of technological knowledge and in a manner conducive to social and economic welfare, and to a balance of rights and obligations. Article 8, entitled "Principles", recognizes the rights of Members to adopt measures for public health and other public interest reasons and to prevent the abuse of intellectual property rights, provided that such measures are consistent with the provisions of the TRIPS Agreement.

Substantive standards of protection

Copyright :

During the Uruguay Round negotiations, it was recognized that the Berne Convention already, for the most part, provided adequate basic standards of copyright protection. Thus it was agreed that the point of departure should be the existing level of protection under the latest Act, the Paris Act of 1971, of that Convention. The point of departure is expressed in Article 9.1 under which Members are obliged to comply with the substantive provisions of the Paris Act of 1971 of the Berne Convention, i.e. Articles 1 through 21 of the Berne Convention (1971) and the Appendix thereto. However, Members do not have rights or obligations under the TRIPS Agreement in respect of the rights conferred under Article 6*bis* of that

Convention, i.e. the moral rights (the right to claim authorship and to object to any derogatory action in relation to a work, which would be prejudicial to the author's honour or reputation), or of the rights derived therefrom. The provisions of the Berne Convention referred to deal with questions such as subject-matter to be protected, minimum term of protection, and rights to be conferred and permissible limitations to those rights. The Appendix allows developing countries, under certain conditions, to make some limitations to the right of translation and the right of reproduction.

In addition to requiring compliance with the basic standards of the Berne Convention, the TRIPS Agreement clarifies and adds certain specific points.

Article 9.2 confirms that copyright protection shall extend to expressions and not to ideas, procedures, methods of operation or mathematical concepts as such.

Article 10.1 provides that computer programs, whether in source or object code, shall be protected as literary works under the Berne Convention (1971). This provision confirms that computer programs must be protected under copyright and that those provisions of the Berne Convention that apply to literary works shall be applied also to them. It confirms further, that the form in which a program is, whether in source or object code, does not affect the protection. The obligation to protect computer programs as literary works means e.g. that only those limitations that are applicable to literary works may be applied to computer programs. It also confirms that the general term of protection of 50 years applies to computer programs. Possible shorter terms applicable to photographic works and works of applied art may not be applied.

Article 10.2 clarifies that databases and other compilations of data or other material shall be protected as such under copyright even where the databases include data that as such are not protected under copyright. Databases are eligible for copyright protection provided that they by reason of the selection or arrangement of their contents constitute intellectual creations. The provision also confirms that databases have to be protected regardless of which form they are in, whether machine readable or other form. Furthermore, the provision clarifies that such protection shall not extend to the data or material itself, and that it shall be without prejudice to any copyright subsisting in the data or material itself.

Article 11 provides that authors shall have in respect of at least computer programs and, in certain circumstances, of cinematographic works the right to authorize or to prohibit the commercial rental to the public of originals or copies of their copyright works. With respect to cinematographic works, the exclusive rental right is subject to the so-called impairment test: a Member is excepted from the obligation unless such rental has led to widespread copying of such works which is materially impairing the exclusive right of reproduction conferred in that Member on authors and their successors in title. In respect of computer programs, the obligation does not apply to rentals where the program itself is not the essential object of the rental.

According to the general rule contained in Article 7(1) of the Berne Convention as incorporated into the TRIPS Agreement, the term of protection shall be the life of the author and 50 years after his death. Paragraphs 2 through 4 of that Article specifically allow shorter terms in certain cases. These provisions are supplemented by Article 12 of the TRIPS Agreement, which provides that whenever the term of protection of a work, other than a photographic work or a work of applied art, is calculated on a basis other than the life of a natural person, such term shall be no less than 50 years from the end of the calendar year of authorized publication, or, failing such authorized publication within 50 years from the making of the work, 50 years from the end of the calendar year of making.

Article 13 requires Members to confine limitations or exceptions to exclusive rights to certain special cases which do not conflict with a normal exploitation of the work and do not unreasonably prejudice the legitimate interests of the right holder. This is a horizontal provision that applies to all limitations and exceptions permitted under the provisions of the Berne Convention and the Appendix thereto as incorporated into the TRIPS Agreement. The application of these limitations is permitted also under the TRIPS Agreement, but the provision makes it clear that they must be applied in a manner that does not prejudice the legitimate interests of the right holder.

Related rights

The provisions on protection of performers, producers of phonograms and broadcasting organizations are included in Article 14. According to Article 14.1, performers shall have the possibility of preventing the unauthorized fixation of their performance on a phonogram (e.g. the recording of a live musical performance). The

fixation right covers only aural, not audiovisual fixations. Performers must also be in position to prevent the reproduction of such fixations. They shall also have the possibility of preventing the unauthorized broadcasting by wireless means and the communication to the public of their live performance.

In accordance with Article 14.2, Members have to grant producers of phonograms an exclusive reproduction right. In addition to this, they have to grant, in accordance with Article 14.4, an exclusive rental right at least to producers of phonograms. The provisions on rental rights apply also to any other right holders in phonograms as determined in national law. This right has the same scope as the rental right in respect of computer programs. Therefore it is not subject to the impairment test as in respect of cinematographic works. However, it is limited by a so-called grandfathering clause, according to which a Member, which on 15 April 1994, i.e. the date of the signature of the Marrakesh Agreement, had in force a system of equitable remuneration of right holders in respect of the rental of phonograms, may maintain such system provided that the commercial rental of phonograms is not giving rise to the material impairment of the exclusive rights of reproduction of right holders.

Broadcasting organizations shall have, in accordance with Article 14.3, the right to prohibit the unauthorized fixation, the reproduction of fixations, and the rebroadcasting by wireless means of broadcasts, as well as the communication to the public of their television broadcasts. However, it is not necessary to grant such rights to broadcasting organizations, if owners of copyright in the subject-matter of broadcasts are provided with the possibility of preventing these acts, subject to the provisions of the Berne Convention.

The term of protection is at least 50 years for performers and producers of phonograms, and 20 years for broadcasting organizations (Article 14.5).

Article 14.6 provides that any Member may, in relation to the protection of performers, producers of phonograms and broadcasting organizations, provide for conditions, limitations, exceptions and reservations to the extent permitted by the Rome Convention.

Trademarks

The basic rule contained in Article 15 is that any sign, or any combination of signs, capable of distinguishing the goods and services of one undertaking from those of other undertakings, must be eligible for registration as a trademark, provided that it is visually perceptible. Such signs, in particular words including personal names, letters, numerals, figurative elements and combinations of colours as well as any combination of such signs, must be eligible for registration as trademarks.

Where signs are not inherently capable of distinguishing the relevant goods or services, Member countries are allowed to require, as an additional condition for eligibility for registration as a trademark, that distinctiveness has been acquired through use. Members are free to determine whether to allow the registration of signs that are not visually perceptible (e.g. sound or smell marks).

Members may make registrability depend on use. However, actual use of a trademark shall not be permitted as a condition for filing an application for registration, and at least three years must have passed after that filing date before failure to realize an intent to use is allowed as the ground for refusing the application (Article 14.3).

The Agreement requires service marks to be protected in the same way as marks distinguishing goods (see e.g. Articles 15.1, 16.2 and 62.3).

The owner of a registered trademark must be granted the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion must be presumed (Article 16.1).

The TRIPS Agreement contains certain provisions on well-known marks, which supplement the protection required by Article 6*bis* of the Paris Convention, as incorporated by reference into the TRIPS Agreement, which obliges Members to refuse or to cancel the registration, and to prohibit the use of a mark conflicting with a mark which is well known. First, the provisions of that Article must be applied also to services. Second, it is required that knowledge in the relevant sector of the public acquired not only as a result of the use of the mark but also by other means,

including as a result of its promotion, be taken into account. Furthermore, the protection of registered well-known marks must extend to goods or services which are not similar to those in respect of which the trademark has been registered, provided that its use would indicate a connection between those goods or services and the owner of the registered trademark, and the interests of the owner are likely to be damaged by such use (Articles 16.2 and 3).

Members may provide limited exceptions to the rights conferred by a trademark, such as fair use of descriptive terms, provided that such exceptions take account of the legitimate interests of the owner of the trademark and of third parties (Article 17).

Initial registration, and each renewal of registration, of a trademark shall be for a term of no less than seven years. The registration of a trademark shall be renewable indefinitely (Article 18).

Cancellation of a mark on the grounds of non-use cannot take place before three years of uninterrupted non-use has elapsed unless valid reasons based on the existence of obstacles to such use are shown by the trademark owner. Circumstances arising independently of the will of the owner of the trademark, such as import restrictions or other government restrictions, shall be recognized as valid reasons of non-use. Use of a trademark by another person, when subject to the control of its owner, must be recognized as use of the trademark for the purpose of maintaining the registration (Article 19).

It is further required that use of the trademark in the course of trade shall not be unjustifiably encumbered by special requirements, such as use with another trademark, use in a special form, or use in a manner detrimental to its capability to distinguish the goods or services (Article 20).

Geographical indications

Geographical indications are defined, for the purposes of the Agreement, as indications which identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin (Article 22.1). Thus, this definition specifies that the quality, reputation or other

characteristics of a good can each be a sufficient basis for eligibility as a geographical indication, where they are essentially attributable to the geographical origin of the good.

In respect of all geographical indications, interested parties must have legal means to prevent use of indications which mislead the public as to the geographical origin of the good, and use which constitutes an act of unfair competition within the meaning of Article 10*bis* of the Paris Convention (Article 22.2).

The registration of a trademark which uses a geographical indication in a way that misleads the public as to the true place of origin must be refused or invalidated *ex officio* if the legislation so permits or at the request of an interested party (Article 22.3).

Article 23 provides that interested parties must have the legal means to prevent the use of a geographical indication identifying wines for wines not originating in the place indicated by the geographical indication. This applies even where the public is not being misled, there is no unfair competition and the true origin of the good is indicated or the geographical indication is accompanied by expressions such as "kind", "type", "style", "imitation" or the like. Similar protection must be given to geographical indications identifying spirits when used on spirits. Protection against registration of a trademark must be provided accordingly.

Article 24 contains a number of exceptions to the protection of geographical indications. These exceptions are of particular relevance in respect of the additional protection for geographical indications for wines and spirits. For example, Members are not obliged to bring a geographical indication under protection, where it has become a generic term for describing the product in question (paragraph 6). Measures to implement these provisions shall not prejudice prior trademark rights that have been acquired in good faith (paragraph 5). Under certain circumstances, continued use of a geographical indication for wines or spirits may be allowed on a scale and nature as before (paragraph 4). Members availing themselves of the use of these exceptions must be willing to enter into negotiations about their continued application to individual geographical indications (paragraph 1). The exceptions cannot be used to diminish the protection of geographical indications that existed

prior to the entry into force of the TRIPS Agreement (paragraph 3). The TRIPS Council shall keep under review the application of the provisions on the protection of geographical indications (paragraph 2).

Industrial designs

Article 25.1 of the TRIPS Agreement obliges Members to provide for the protection of independently created industrial designs that are new or original. Members may provide that designs are not new or original if they do not significantly differ from known designs or combinations of known design features. Members may provide that such protection shall not extend to designs dictated essentially by technical or functional considerations.

Article 25.2 contains a special provision aimed at taking into account the short life cycle and sheer number of new designs in the textile sector: requirements for securing protection of such designs, in particular in regard to any cost, examination or publication, must not unreasonably impair the opportunity to seek and obtain such protection. Members are free to meet this obligation through industrial design law or through copyright law.

Article 26.1 requires Members to grant the owner of a protected industrial design the right to prevent third parties not having the owner's consent from making, selling or importing articles bearing or embodying a design which is a copy, or substantially a copy, of the protected design, when such acts are undertaken for commercial purposes.

Article 26.2 allows Members to provide limited exceptions to the protection of industrial designs, provided that such exceptions do not unreasonably conflict with the normal exploitation of protected industrial designs and do not unreasonably prejudice the legitimate interests of the owner of the protected design, taking account of the legitimate interests of third parties.

The duration of protection available shall amount to at least 10 years (Article 26.3). The wording "amount to" allows the term to be divided into, for example, two periods of five years.

Patents

The TRIPS Agreement requires Member countries to make patents available for any inventions, whether products or processes, in all fields of technology without discrimination, subject to the normal tests of novelty, inventiveness and industrial applicability. It is also required that patents be available and patent rights enjoyable without discrimination as to the place of invention and whether products are imported or locally produced (Article 27.1).

There are three permissible exceptions to the basic rule on patentability. One is for inventions contrary to *ordre public* or morality; this explicitly includes inventions dangerous to human, animal or plant life or health or seriously prejudicial to the environment. The use of this exception is subject to the condition that the commercial exploitation of the invention must also be prevented and this prevention must be necessary for the protection of *ordre public* or morality (Article 27.2).

The second exception is that Members may exclude from patentability diagnostic, therapeutic and surgical methods for the treatment of humans or animals (Article 27.3(a)).

The third is that Members may exclude plants and animals other than micro-organisms and essentially biological processes for the production of plants or animals other than non-biological and microbiological processes. However, any country excluding plant varieties from patent protection must provide an effective *sui generis* system of protection. Moreover, the whole provision is subject to review four years after entry into force of the Agreement (Article 27.3(b)).

The exclusive rights that must be conferred by a product patent are the ones of making, using, offering for sale, selling, and importing for these purposes. Process patent protection must give rights not only over use of the process but also over products obtained directly by the process. Patent owners shall also have the right to assign, or transfer by succession, the patent and to conclude licensing contracts (Article 28).

Members may provide limited exceptions to the exclusive rights conferred by a patent, provided that such exceptions do not unreasonably conflict with a normal exploitation of the patent and do not unreasonably prejudice the legitimate interests

of the patent owner, taking account of the legitimate interests of third parties (Article 30).

The term of protection available shall not end before the expiration of a period of 20 years counted from the filing date (Article 33).

Members shall require that an applicant for a patent shall disclose the invention in a manner sufficiently clear and complete for the invention to be carried out by a person skilled in the art and may require the applicant to indicate the best mode for carrying out the invention known to the inventor at the filing date or, where priority is claimed, at the priority date of the application (Article 29.1).

If the subject-matter of a patent is a process for obtaining a product, the judicial authorities shall have the authority to order the defendant to prove that the process to obtain an identical product is different from the patented process, where certain conditions indicating a likelihood that the protected process was used are met (Article 34).

Compulsory licensing and government use without the authorization of the right holder are allowed, but are made subject to conditions aimed at protecting the legitimate interests of the right holder. The conditions are mainly contained in Article 31. These include the obligation, as a general rule, to grant such licences only if an unsuccessful attempt has been made to acquire a voluntary licence on reasonable terms and conditions within a reasonable period of time; the requirement to pay adequate remuneration in the circumstances of each case, taking into account the economic value of the licence; and a requirement that decisions be subject to judicial or other independent review by a distinct higher authority. Certain of these conditions are relaxed where compulsory licences are employed to remedy practices that have been established as anticompetitive by a legal process. These conditions should be read together with the related provisions of Article 27.1, which require that patent rights shall be enjoyable without discrimination as to the field of technology, and whether products are imported or locally produced.

Layout-designs of integrated circuits

Article 35 of the TRIPS Agreement requires Member countries to protect the layout-designs of integrated circuits in accordance with the provisions of the IPICT Treaty

(the Treaty on Intellectual Property in Respect of Integrated Circuits), negotiated under the auspices of WIPO in 1989. These provisions deal with, *inter alia*, the definitions of “integrated circuit” and “layout-design (topography)”, requirements for protection, exclusive rights, and limitations, as well as exploitation, registration and disclosure. An “integrated circuit” means a product, in its final form or an intermediate form, in which the elements, at least one of which is an active element, and some or all of the interconnections are integrally formed in and/or on a piece of material and which is intended to perform an electronic function. A “layout-design (topography)” is defined as the three-dimensional disposition, however expressed, of the elements, at least one of which is an active element, and of some or all of the interconnections of an integrated circuit, or such a three-dimensional disposition prepared for an integrated circuit intended for manufacture. The obligation to protect layout-designs applies to such layout-designs that are original in the sense that they are the result of their creators' own intellectual effort and are not commonplace among creators of layout-designs and manufacturers of integrated circuits at the time of their creation. The exclusive rights include the right of reproduction and the right of importation, sale and other distribution for commercial purposes. Certain limitations to these rights are provided for.

In addition to requiring Member countries to protect the layout-designs of integrated circuits in accordance with the provisions of the IPICT Treaty, the TRIPS Agreement clarifies and/or builds on four points. These points relate to the term of protection (ten years instead of eight, Article 38), the applicability of the protection to articles containing infringing integrated circuits (last sub clause of Article 36) and the treatment of innocent infringers (Article 37.1). The conditions in Article 31 of the TRIPS Agreement apply *mutatis mutandis* to compulsory or non-voluntary licensing of a layout-design or to its use by or for the government without the authorization of the right holder, instead of the provisions of the IPICT Treaty on compulsory licensing (Article 37.2).

Protection of undisclosed information

The TRIPS Agreement requires undisclosed information -- trade secrets or know-how -- to benefit from protection. According to Article 39.2, the protection must apply to information that is secret, that has commercial value because it is secret and that has been subject to reasonable steps to keep it secret. The Agreement does not require undisclosed information to be treated as a form of property, but it does

require that a person lawfully in control of such information must have the possibility of preventing it from being disclosed to, acquired by, or used by others without his or her consent in a manner contrary to honest commercial practices. "Manner contrary to honest commercial practices" includes breach of contract, breach of confidence and inducement to breach, as well as the acquisition of undisclosed information by third parties who knew, or were grossly negligent in failing to know, that such practices were involved in the acquisition.

The Agreement also contains provisions on undisclosed test data and other data whose submission is required by governments as a condition of approving the marketing of pharmaceutical or agricultural chemical products which use new chemical entities. In such a situation the Member government concerned must protect the data against unfair commercial use. In addition, Members must protect such data against disclosure, except where necessary to protect the public, or unless steps are taken to ensure that the data are protected against unfair commercial use.

Control of anti-competitive practices in contractual licences

Article 40 of the TRIPS Agreement recognizes that some licensing practices or conditions pertaining to intellectual property rights which restrain competition may have adverse effects on trade and may impede the transfer and dissemination of technology. Member countries may adopt, consistently with the other provisions of the Agreement, appropriate measures to prevent or control practices in the licensing of intellectual property rights which are abusive and anti-competitive. The Agreement provides for a mechanism whereby a country seeking to take action against such practices involving the companies of another Member country can enter into consultations with that other Member and exchange publicly available non-confidential information of relevance to the matter in question and of other information available to that Member, subject to domestic law and to the conclusion of mutually satisfactory agreements concerning the safeguarding of its confidentiality by the requesting Member. Similarly, a country whose companies are subject to such action in another Member can enter into consultations with that Member.¹⁰⁹

14.4 Analysis of these conventions and agreements

¹⁰⁹ https://www.wto.org/english/tratop_e/trips_e/intel2_e.htm

The areas of intellectual property that are covered by these international treaties and agreements are: copyright and related rights (i.e. the rights of performers, producers of sound recordings and broadcasting organizations); trademarks including service marks; geographical indications including appellations of origin; industrial designs; patents including the protection of new varieties of plants; the layout-designs of integrated circuits; and undisclosed information including trade secrets and test data. The Lisbon Agreement provides for the protection of appellations of origin, that is, the "geographical denomination of a country, region, or locality, which serves to designate a product originating therein, the quality or characteristics of which are due exclusively or essentially to the geographic environment, including natural and human factors". The Bulletin "Appellations of Origin" is the official publication of the Lisbon system.

The System for the International Registration of Marks is governed by the Madrid Agreement, concluded in 1891, and the Protocol relating to that Agreement, concluded in 1989. The system makes it possible to protect a mark in a large number of countries by obtaining an international registration that has effect in each of the designated Contracting Parties.

The Madrid system offers several advantages for trademark owners. Instead of filing a separate national application in each country of interest, in several different languages, in accordance with different national or regional 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 (English, French or Spanish) and paying one set of fees.

14.5 Summary

To solve the problems at international level International Bodies like UNO or the bodies approved by UNO or the international communities make treaties or agreements. Amongst them some important treaties or agreements for Geographical Indications are Lisbon Agreement for the Protection of Appellations of Origin and their International Registration, Madrid Agreement Concerning the International Registration of Marks, and The TRIPS Agreement, which came into effect on 1 January 1995, is to date the most comprehensive multilateral agreement on intellectual property are important one. With the help of these treaties and

agreements problems related with geographical indications and trademarks are solved.

A number of international treaties deal partly or entirely with the protection of geographical indications. Below are links to relevant treaties administered by WIPO, as well as to the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) of the World Trade Organization (WTO).

14.6 Self Assessment Test

1. Explain Lisbon Agreement in relation to Geographical Indications.
2. Explain Madrid Agreement in relation to Geographical Indications.
3. Explain WIPO in relation to Geographical Indications.

14.7 Suggested Readings

1. https://www.wto.org/english/tratop_e/trips_e/intel2_e.htm
2. http://www.wipo.int/treaties/en/registration/madrid/summary_madrid_marks.html
3. Geographical Indications, Dr. Ganguli, 2009, SVKM's NMIMS University's Institute of Intellectual Property Studies
4. **The Protection of Geographical Indications in India**, A New Perspective on the French and European Experience, By **Delphine Marie-Vivien**, Researcher, CIRAD, September 2015 *SAGE India*
5. Avtar Singh, Intellectual Property Rights, Eastern Book Company.
6. P. Narayanan, Trademarks and Passing Off, Eastern Law House.

Unit – 15

THE GEOGRAPHICAL INDICATIONS OF GOODS (REGISTRATION AND PROTECTION) ACT, 1999

(Procedure for Registration and Protection of Geographical Indication)

Objectives

- This is an Act to provide for the registration and better protection of geographical indications relating to goods

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Structure

- 15.1 Introduction
- 15.2 Geographical Indications
- 15.3 Registration of Geographical Indications
- 15.4 Protection of Geographical Indications
- 15.5 Summary
- 15.6 Self assessment Questions
- 15.7 Suggested Readings

15.1 Introduction

Law relating to geographic indications of goods is to protect the identity of goods having a particular geographic origin. The geographic origin is the reason of their particular characteristics or quality. For example Benaras silk sarees, Tirupati's laddoo or Bikaneri Bhujia, scissors from Merrut etc. Under the law relating to trademarks geographical names are not protected because they are considered to be descriptive and therefore non-registrable. Hence, the geographic names could only be protected by the common law remedy of passing off. But with the enactment of

the Geographical Indications of Goods (Registration and Protection) Act, 1999 the doors to registration and consequent benefits are opened up. It enabled such names to be protected against infringement. As compared to trademarks, geographical Indications are distinctive names or signs identifying products that are manufactured or located in a particular geographical area. There is no one single enterprise which owns them and therefore, unlike trademarks, there is no right conferred on an entity to grant or refuse authorisation on use. Rather, all enterprises located in the specified geographic area are allowed to use these signs on the specific product manufactured by them. All other entities are prohibited from doing so. So geographical indications are to provide protection to goods that can be identified as originating or manufactured in a particular territory or region where its quality, reputation or other characteristics are attributable to its geographical origin. Let us discuss what geographic indications are and the key features of the Act. As well as examine the TRIPs provisions and the interface between trademark and geographical indication.

To achieve the stated objectives THE GEOGRAPHICAL INDICATIONS OF GOODS (REGISTRATION AND PROTECTION) ACT, 1999 No.48 of 1999 received the assent of the President on the 30th December, 1999. It extends to the whole of India. It has been divided into Eight Chapters.

Some Important definitions in the Act are as under:

unless the context otherwise requires:-

(a) "Appellate Board" means the Appellate Board established under Section 83 of the Trademarks Act, 1999;

(b) "authorised user" means the authorised user of a geographical indication registered under Section 17;

(c) "deceptively similar" A geographical indication shall be deemed to be deceptively similar to another geographical indication if it so nearly resembles that other geographical indication as to be likely to deceive or cause confusion;

(d) "district court" has the meaning assigned to it in the Code of Civil Procedure, 1908.

(e) “geographical indication”, in relation to goods, means an indication which identifies such goods as agricultural goods, natural goods or manufactured goods as originating, or manufactured in the territory of a country, or a region or locality in that territory, where a given quality, reputation or other characteristic of such goods is essentially attributable to its geographical origin and in case where such goods are manufactured goods one of the activities of either the production or of processing or preparation of the goods concerned takes place in such territory, region or locality, as the case may be.

Explanation:- For the purposes of this clause, any name which is not the name of a country, region or locality of that country shall also be considered as the geographical indication if it relates to a specific geographical area and is used upon or in relation to particular goods originating from that country, region or locality, as the case may be;

(f) “goods” means any agricultural, natural or manufactured goods or any goods of handicraft or of industry and includes food stuff;

(g) “indication” includes any name, geographical or figurative representation or any combination of them conveying or suggesting the geographical origin of goods to which it applies;

(h) “name” includes any abbreviation of a name;

(i) “package” includes any case, box, container, covering, folder, receptacle, vessel, casket, bottle, wrapper, label, band, ticket, reel, frame, capsule, cap, lid, stopper and cork;

(j) “prescribed” means prescribed by rules made under this Act;

(k) “producer”, in relation to goods, means any person who:-

(i) if such goods are agricultural goods, produces the goods and includes the person who processes or packages such goods;

(ii) if such goods are natural goods, exploits the goods;

(iii) if such goods are handicraft or industrial goods,

makes or manufactures the goods, and includes any person who trades or deals in such production, exploitation, making or manufacturing, as the case may be, of the goods

(l) “register means the Register of Geographical Indications referred to in Section 6;

(m) “registered” [with its grammatical variations] means registered under this Act;

(n) “registered proprietor” in relation to a geographical indication, means any association of persons or of producers or any organisation for the time being entered in the register as proprietor of the geographical indication;

(o) “Registrar” means the Registrar of Geographical Indications referred to in Section 3;

(p) “tribunal” means the Registrar or, as the case may be, the Appellate Board before which the proceeding concerned is pending.

(2) Words and expressions used and not defined in this Act but defined in the Trademarks Act, 1999 shall have the meanings respectively assigned to them in that Act.

(3) In this Act, unless the context otherwise requires, any reference:-

(a) to the use of a geographical indication shall be construed as a reference to the use of a printed or other visual representation of the geographical indication.

(b) to the use of a geographical indication in relation to goods shall be construed as a reference to the use of the geographical indication upon, or in any physical or in any other relation whatsoever, to such goods;

(c) to a registered geographical indication shall be construed as including a reference to a geographical indication registered in the register;

(d) to the Registrar shall be construed as including a reference to any officer when discharging the functions of the Registrar in pursuance of sub-section (2) of Section 3;

(e) to the Geographical Indications Registry shall be construed as including a reference to any office of the Geographical Indications Registry.

15.2 Geographical Indications

Meaning: According to the THE GEOGRAPHICAL INDICATIONS OF GOODS (REGISTRATION AND PROTECTION) ACT, 1999 “geographical indication”, in relation to goods, means an indication which identifies such goods as agricultural goods, natural goods or manufactured goods as originating, or manufactured in the territory of a country, or a region or locality in that territory, where a given quality, reputation or other characteristic of such goods is essentially attributable to its geographical origin and in case where such goods are manufactured goods one of the activities of either the production or of processing or preparation of the goods concerned takes place in such territory, region or locality, as the case may be.

Explanation:- For the purposes of this clause, any name which is not the name of a country, region or locality of that country shall also be considered as the geographical indication if it relates to a specific geographical area and is used upon or in relation to particular goods originating from that country, region or locality, as the case may be;

15.3 Registration of Geographical Indications

Chapter II of the Act provides that:

Registrar of Geographical indications shall be appointed. The Controller-General of Patents, Designs and Trademarks appointed under sub-section (1) of Section 3 of the Trademarks Act, 1999, shall be the Registrar of Geographical Indications.

The Central Government may appoint such officers with such designations as it thinks fit for the purpose of discharging, under the superintendence and direction of the Registrar, such functions of the Registrar under this Act, as he may from time to time authorise them to discharge.

Power of Registrar to Withdraw or Transfer cases etc.: Without prejudice to the generality of the provisions of sub-section (2) of Section 3, the Registrar may, by order in writing and for reasons to be recorded therein, withdraw any matter pending before an officer appointed under the said sub-section (2) and deal with such matter himself either *de novo* or from the stage it was so withdrawn or transfer the same to another officer so appointed who may, subject to special directions in the order of transfer, proceed with the matter either *de novo* or from the stage it was so transferred.

Geographical indications Registry and offices thereof: (1) For the purpose of this Act, there shall be established a Registry which shall be known as the

Geographical Indications Registry.

(2) The head office of the Geographical Indications Registry shall be at such place as the Central Government may, by notification in the Official Gazette, specify, and for the purpose of facilitating the registrations of geographical indications, there may be established at such places as the Central Government may think fit branch offices of the Geographical Indications Registry.

(3) The Central Government may, by notification in the Official Gazette, define the territorial limits within which an office of the Geographical Indications Registry may exercise its functions.

(4) There shall be a seal of the Geographical Indications Registry.

6. (1) For the purposes of this Act, a record called the Register of geographical indications shall be kept at the Head office of the Geographical Indications Registry, wherein shall be entered all registered geographical indications with the names, addresses and descriptions of the proprietors, the names, addresses and descriptions of authorised users and such other matters relating to registered geographical indications as may be prescribed and such registers may be maintained wholly or partly on computer.

(2) Notwithstanding any thing contained in sub-section (1) it shall be lawful for the Registrar to keep the records wholly or partly in computer floppies or diskettes or in any other electronic form, subject to such safeguards as may be prescribed.

(3) Where such register is maintained wholly or partly in computer floppies or diskettes or in any other electronic form under sub-section (2), any reference in this Act to any entry in the register shall be construed as the reference to the entry as maintained on computer floppies or diskettes or in any other electronic form, as the case may be.

(4) No notice of any trust, express or implied or constructive, shall be entered in the register and no such notice shall be receivable by the Registrar.

(5) Subject to the superintendence and direction of the Central Government the register shall be kept under the control and management of the Registrar.

(6) There shall be kept at each branch office of the Geographical Indications Registry a copy of the register and such other documents mentioned in Section 78 as the Central Government may, by notification in the Official Gazette, direct.

7. (1) The register referred to in Section 6 shall be divided into two Parts called respectively Part A and B.

(2) The particulars relating to the registration of the geographical indications shall be incorporated and form part of Part A of the register in the prescribed manner.

(3) The particulars relating to the registration of the authorised users shall be incorporated and form part of part B of the register in the prescribed manner.

8. (1) A geographical indication may be registered in respect of any or all of the goods, comprised in such class of goods as may be classified by the Registrar and in respect of a definite territory of a country, or a region or locality in that territory, as the case may be.

(2) The Registrar shall classify the goods under subsection (1), as far as may be, in accordance with the International classification of goods for the purposes of registration of geographical indication. (3) The Registrar may publish in the prescribed manner an alphabetical index of classification of goods referred to in sub-section (2).

(4) Any question arising as to the class within which any goods fall or in the definite area as referred to in subsection (1) in respect of which the geographical indication is to be registered or where any goods are not specified in the alphabetical index of goods published under subsection .

(3) shall be determined by the Registrar whose decision in the matter shall be final.

9. A geographical indication:

(a) the use of which would be likely to deceive or cause confusion; or

(b) the use of which would be contrary to any law for the time being in force; or

(c) which comprises or contains scandalous or obscene matter; or

(d) which comprise or contains any matter likely to hurt the religious susceptibilities of any class or section of the citizens of India; or

(e) which would otherwise be disentitled to protection in a court; or

(f) which are determined to be generic names or indications of goods and are, therefore, not or ceased to be protected in their country of origin, or which have fallen into disuse in that country;

or

(g) which although literally true as to the territory, region or locality in which the goods originate, but falsely represent to the persons that the goods originate in another territory, region or locality, as the case may be, shall not be registered as a geographical indication.

Explanation 1: For the purposes of this section, “generic names or indications” in relation to goods, means the name of a goods which, although relates to the place or the region where the goods was originally produced or manufactured, has lost its original meaning and has become the common name of such goods and serves as a designation for or indication of the kind, nature, type or other property or characteristic of the goods.

Explanation 1: For the purposes of this section, “generic names or indications” in relation to goods, means the name of a goods which, although relates to the place or the region where the goods was originally produced or manufactured, has lost its original meaning and has become the common name of such goods and serves as a designation for or indication of the kind, nature, type or other property or haracteristic of the goods.

Explanation 2: In determining whether the name has become generic, account shall be taken of all factors including the existing situation in the region or place in which the name originates and the area of consumption of the goods.

Registration of homonymous geographical indications:

Sec. 10. Subject to the provisions of Section 7, a homonymous geographical indication may be registered under this Act, if the Registrar is satisfied, after considering the practical conditions under which the homonymous indication in question shall be differentiated from other homonymous indications and the need to ensure equitable treatment of the producers of the goods concerned, that the consumers of such goods shall not be confused or misled in consequence of such registration.

In Chapter III Procedure for and duration of registration has been given which is as under:

Application for registration:

11. (1) Any association of persons or producers or any organization or authority established by or under any law for the time being in force representing the interest of the producers of the concerned goods, who are desirous of registering a geographical indication in relation to such goods shall apply in writing to the Registrar in such form and in such manner and accompanied by such fees as may be prescribed for the registration of the geographical indication.

(2) The application under sub-section (1) shall contain- (a) statement as to how the geographical indication serves to designate the goods as originating from the

concerned territory of the country or region or locality in the country, as the case may be, in respect of specific quality, reputation or other characteristics of which are due exclusively or essentially to the geographical, environment, with its inherent natural and human factors, and the production, processing or preparation of which takes place in such territory, region or locality, as the case may be; (b) the class of goods to which the geographical indication shall apply;

(c) the geographical map of the territory of the country or region or locality in the country in which the goods originate or are being manufactured; (d) the particulars regarding the appearance of the geographical indication as to whether it is comprised of the words or figurative elements or both;

(e) a statement containing such particulars of the producers of the concerned goods, if any, proposed to be initially registered with the registration of the geographical indication as may be prescribed; and

(f) such other particulars as may be prescribed.

(3) A single application may be made for registration of a geographical indication for different classes of goods and fee payable therefor shall be in respect of each such class of goods.

(4) Every application under sub-section (1) shall be filed in the office of the Geographical Indications Registry within whose territorial limits, the territory of the country or the region or locality in the country to which the geographical indication relates is situated:

Provided that where such territory, region or locality as the case may be, is not situated in India, the application shall be filed in the office of the Geographical Indications Registry within whose territorial limits the place mentioned in the address for services in India as disclosed in the application, is situated.

(5) Every applications under sub-section (1) shall be examined by the Registrar in such manner as may be prescribed.

(6) Subject to the provisions of this Act, the Registrar may refuse the application or may accept it absolutely or subject to such amendments, modification, conditions or limitations, if any, as he thinks fit.

(7) In the case of refusal or conditional acceptance of application, the Registrar shall record in writing the grounds for such refusal or conditional acceptance and the materials used by him in arriving at this decision.

12. Where, after the acceptance of an application for registration of a geographical indication but before its registration, the Registrar is satisfied, (a) that the application has been accepted in error, or (b) that in the circumstances of the case the geographical indication should not be registered or should be registered subject to conditions or limitations or to conditions additional to or different from the conditions or limitations subject to which the application has been accepted, the Registrar may, after hearing the applicant if he so desires, withdraw the acceptance and proceed as if the application had not been accepted.

13. (1) When an application for registration of a geographical indication has been accepted, whether absolutely or subject to conditions or limitations, the Registrar shall, as soon as may be after acceptance, cause the application as accepted together with the conditions or limitations, if any, subject to which it has been accepted, to be advertised in such manner as may be prescribed.

(2) Where after advertisement of an application- (a) an error in the application has been corrected; or (b) the application has been permitted to be amended under section 15, the Registrar may, in his discretion cause the application to be advertised again or instead of causing the application to be advertised again, notify in the prescribed manner, the correction made in the application.

14 (1) Any person may, within three months from the date of advertisement or readvertisement of an application for registration or within such further period, not exceeding one month, in the aggregate, as the Registrar, on application made to him in such manner and on payment of such fee as may be prescribed allows, give notice in writing in the prescribed manner to the Registrar, of opposition to the registration.

(2) The Registrar shall serve a copy of the notice on the applicant for registration and, within two months from the receipt by the applicant of such copy of the notice of opposition, the applicant shall send to the Registrar in the prescribed manner a counter-statement of the grounds on which he relies for his application, and if he does not do so, he shall be deemed to have abandoned his application.

(3) If the applicant sends such counter-statement, the Registrar shall serve a copy thereof on the person giving notice of opposition.

(4) Any evidence upon which the opponent and the applicant may rely shall be submitted in such manner and within such time as may be prescribed to the Registrar, and the Registrar shall give an opportunity to them to be heard, if they so desire.

(5) The Registrar shall, after hearing the parties, if so required, and considering the evidence, decide whether and subject to what conditions or limitations, if any, the registration is to be permitted, and may take into account aground of objection whether relied upon by the opponent or not.

6) Where a person giving notice of opposition or an applicant sending a counterstatement after receipt of a copy of such notice neither resides nor carries on business in India, the Registrar may require him to give security for the costs of proceeding before him, and in default of such security being duly given, may treat the opposition or application, as the case may be, as abandoned.

7) The Registrar may, on request, permit correction of any error in, or any amendment of, a notice of opposition or a counter-statement on such terms as he thinks just.

Correction and Amendment in Application: 15. The Registrar may, on such terms, as he thinks just, at any time, whether before or after acceptance of an application for registration under Section 11, permit the correction of any error or in connection with the application or permit an amendment of the application.

Provided that if an amendment is made to a single application referred to in sub-section (3) of Section 11 into two or more applications, the date of making of the initial application shall be deemed to be the date of making of the divided applications so divided.

Registration of Application: 16.(1) Subject to the provisions of Section 12, when an application for registration of a geographical indication has been accepted and either

(a) the application has not been opposed and the time for notice of opposition has expired; or (b) the applicant has been opposed and the opposition has been decided in favour of the applicant.

The Registrar shall, unless the Central Government otherwise directs, register the said geographical indication and the authorised users, if any, mentioned in the application and the geographical indication and the authorised users when registered shall be registered as of the date of the making of the said application and the date shall, subject to the provisions of Section 84, be deemed to be the date of registration.

(2) On the registration of a geographical indication, the Registrar shall issue each to the applicant and the authorised users, if registered with the geographical indication,

a certificate in such form as may be prescribed of the registration thereof, sealed with the seal of the Geographical Indication Registry.

(3) Where registration of a geographical indication is not completed within twelve months from the date of the application by reason of default on the part of the applicant, the Registrar may, after giving notice to the applicant in the prescribed manner, treat the application as abandoned unless it is completed within the time specified in that behalf in the notice.

(4) The Registrar may amend the register or a certificate of registration for the purpose of correcting a clerical error or on obvious mistake.

Application for registration as authorised user: 17. (1) Any person claiming to be the producer of the goods in respect of which a geographical indication has been registered under section 16 may apply in writing to the Registrar in the prescribed manner for registering him as an authorised user of such geographical indication.

(2) The application under sub-section (1) shall be accompanied by a statement and such documents of facts as may be prescribed and required by the Registrar to determine as to whether such person is the producer of the goods referred to in that sub-section and such fee as may be prescribed.

(3) The provisions of this Chapter relating to-

- (a) the filing and examination of the application;
- (b) the refusal and acceptance of registration;
- (c) withdrawal of acceptance of application;
- (d) advertisement of application;
- (e) opposition to registration;
- (f) correction or error in an amendment of the application and
- (g) registration.

Shall apply in respect of the application and registration of authorised users referred to in sub-section (1) in the same manner as they apply for the application for registration and registration of the geographical indication.

18. (1) The registration of a geographical indication shall be for a period of ten years, but may be renewed from time to time in accordance with the provisions of this section.

(2) The registration of an authorised user shall be for a period of ten years or for the period till the date on which the registration of the geographical indication in respect of which the authorised user is registered expires, whichever is earlier.

(3) The Registrar shall, on application made in the prescribed manner, by the registered proprietor or by the authorised user and within the prescribed period and subject to the payment of the prescribed fee, renew the registration of the geographical indication or authorised user, as the case may be, for a period of ten years from the date of expiration of the original registration or of the last renewal of registration, as the case may be (which date is in this section referred to as the expiration of the last registration).

(4) At the prescribed time before the expiration of the last registration of a geographical indication or the authorised user, as the case may be, the Registrar shall send notice in the prescribed manner to the registered proprietor or the authorised user, as the case may be, of the date of expiration and the conditions as the payment of fees and otherwise upon which a renewal of registration may be obtained, and, if at the expiration of time prescribed in that behalf those conditions have not been duly complied with, the Registrar may remove the geographical indication or the authorised user, as the case may be, from the register.

Provided that the Registrar shall not remove the geographical indication or the authorised user, as the case may be, from the register, if an application is made in the prescribed form and the prescribed fee and surcharge is paid within six months from the expiration of the last registration of the geographical indication or the authorised user, as the case may be, and shall renew the registration of geographical indication or the authorised user as the case may be, for a period of ten years under sub-section (3).

(5) Where a geographical indication or authorised user, as the case may be, has been removed from the register for non-payment of the prescribed fee, the Registrar shall, after six months and within one year from the expiration of the last registration of the geographical indication or the authorised user, as the case may be, on receipt of an application in the prescribed form and on payment of the prescribed fee, if satisfied that it is just to do so, restore the geographical indication or the authorised user, as the case may be, to the register and renew registration of the geographical indication or authorised user, as the case may be, either generally or

subject to such condition or limitation as he thinks fit to impose, for a period of ten years from the expiration of the last registration.

Effect of Removal from Register for Failure to Pay fee for renewal:

19. Where a geographical indication has been removed from the register for failure to pay the fee for renewal, it shall nevertheless, for the purpose of any application for the registration of another geographical indication during one year, next after the date of removal, be deemed to be a 'geographical indication already on the register, unless the tribunal is satisfied either-

(a) that there has been no bona fide trade use of the geographical indication which has been removed within the two years immediately preceding its removal; or

(b) that no deception or confusion would be likely to arise from the use of the geographical indication which is the subject of the application for registration by reason of any previous use of the geographical indication which has been removed.

Chapter IV has Following Provisions: Effect of Registration:

No action For infringement of unregistered geographical indication:

20. (1) No person shall be entitled to institute any proceeding to prevent, or to recover damages for, the infringement of an unregistered geographical indication.

(2) Nothing in this Act shall be deemed to affect rights of action against any person for passing off goods as the goods of another person or the remedies in respect thereof.

Rights conferred by registration:

21. (1) Subject to the other provisions of this Act, the registration of a geographical indication shall, if valid, give,-

(a) to the registered proprietor of the geographical indication and the authorised user or users thereof the right to obtain relief in respect of infringement of the geographical indication in the manner provided by this Act;

(b) to the authorised user thereof the exclusive right to the use of the geographical indication in relation to the goods in respect of which the geographical indication is registered.

(2) The exclusive right to the use of a geographical indication given under clause (b) of sub-section (1) shall be subject to any condition and limitation to which the registration is subject.

(3) Where the two or more persons are authorised users of geographical indications, which are identical with or nearly resemble each other, the exclusive right to the use of any of those geographical indications shall not (except so far as their respective rights are subject to any conditions or limitations entered on the register) be deemed to have been acquired by anyone of those persons as against any other of those persons merely by registration of the geographical indications, but each of those persons has otherwise the same rights as against other persons as he would have if he were the sole authorised user.

Infringement Or registered geographical indications:

22. (1) A registered geographical indication is infringed by a person who, not being an authorised user thereof, - (a) uses such geographical indication by any means in the designations or presentation of goods that indicates or suggests that such goods originate in a geographical area other than the true place of origin of such goods in a manner which misleads the persons as to the geographical origin of such goods; or (b) uses any geographical indication in such manner which constitutes an act of unfair competition including passing off in respect of registered geographical indication.

Explanation 1:- For the purposes of this clause, “act of unfair competition” means any act of competition contrary to honest practices in industrial or commercial matters.

Explanation 2:- For the removal of doubts, it is hereby clarified that the following acts shall be deemed to be acts of unfair competition, namely:-

- (i) all acts of such a nature as to create confusion by any means whatsoever with the establishment, the goods or the industrial or commercial activities, of a competitor;
- (ii) false allegations in the course of trade of such a nature as to discredit the establishment, the goods or the industrial or commercial activities, of a competitor;
- (iii) geographical indications, the use of which in the course of trade is liable to mislead the persons as to the nature, the manufacturing process, the characteristics, the suitability for their purpose, or the quantity, of the goods;
- (b) uses another geographical indication to the goods which, although literally true as to the territory, region or locality in which the goods originate, falsely represents to the persons that the goods originate in the territory, region or locality in respect of which such registered geographical indication relates.

(2) The Central Government may, if it thinks necessary so to do for providing additional protection to certain goods or classes of goods under sub-section (3), by notification in the Official Gazette, specify such goods or class or classes of goods, for the purposes of such protection.

(3) Any person who is not an authorised user of a geographical indication registered under this Act in respect of the goods or any class or classes of goods notified under sub-section (2), uses any other geographical indication to such goods or class or classes of goods not originating in the place indicated by such other geographical indication or uses such other geographical indication to such goods or class or classes of goods even indicating true origin of such goods or uses such other geographical indication to such goods or class or classes of goods in translation of the true place of origin or accompanied by expression such as "kind", "style", "imitation", or the like expression, shall infringe such registered geographical indication.

(4) Notwithstanding anything contained in this section, where the goods in respect of which a geographical indication has been registered are lawfully acquired by a person other than the authorised user of such geographical indication, further dealings in those goods by such person including processing or packaging, shall not constitute an infringement of such geographical indication, except where the condition of goods is impaired after they have been put in the market.

23.(1) In all legal proceedings relating to a geographical indication, the certificate of registration granted in this regard by the Registrar under this Act, being a copy of the entry in the register under the seal of the Geographical Indications Registry, shall be prima facie evidence of the validity thereof and be admissible in all courts and before

the Appellate Board without further proof or production of the original.

(2) Nothing in this section shall be deemed to be affected of the right of action in respect of an unregistered geographical indication.

24. Notwithstanding anything contained in any law for the time being in force, any right to a registered geographical indication shall not be the subject matter of assignment, transmission, licensing, pledge, mortgage or any such other agreement; Provided that on the death of an authorised user his right in a registered geographical indication shall devolve on his successor in title under the law for the time being in force.

Chapter V of the Act provides for the Special Provisions Relating to Trademarks and Prior

Prohibition Of registration of geographical indication as trademark :

25. Notwithstanding anything contained in the Trademarks Act, 1999, the Registrar of Trademarks referred to in Section 3 of that Act, shall, suo motu or at the request of an interested party, refuse or invalidate the registrations of a trademark which-

(a) contains or consists of a geographical indication with respect to the goods or class or classes of goods not originating in the territory of a country , or a region or locality in that territory which such geographical indication indicates, if use of such geographical indications in the trademark for such goods, is of such a nature as to confuse or mislead the persons as to the true place of origin of such goods or class or classes of goods;

(b) contains or consists of a geographical indication identifying goods or class or classes of goods notified under sub-section (2) of Section 22.

Protection to certain Trademarks:

26. (1) Where a trademark contains or consists of a geographical indication and has been applied for or registered in good faith under the law relating to trade marks for the time being in force, or where rights to such trademark have been acquired through use in good faith either-

(a) before the commencement of this Act; or

(b) before the date of filing the application for registration

of such geographical indication under this Act; nothing contained in this Act shall prejudice the registrability or the validity of the registration of such trade mark under the law relating to the trademarks for the time being in force, or the right to use such trademark, on the ground that such trademark is identical with or similar to such geographical indication.

(2) Nothing contained in this Act shall apply in respect of a geographical indication with respect to goods or class or classes of goods for which such geographical indication is identical with the term customary in common language as the common name of such goods in any part of India on or before the 1st day of January, 1995.

(3) Nothing contained in this Act shall in any way prejudice the right of any person to use, in the course of trade, that person's name or the name of that person's

predecessor in business, except where such name is used in such a manner as to confuse or mislead the people.

(4) Notwithstanding anything contained in the Trademarks Act, 1999 or in this Act, no action in connection with the use or registration of a trademark shall be taken after the expiry of five years from the date on which such use or registration infringes any geographical indication registered under this Act has become known to the registered proprietor or authorised user registered in respect of such geographical indication under this Act or after the date of registration of the trademark under the said Trademarks Act subject to the condition that the trademark has been published under the provisions of the said Trademarks Act, 1999 or the rules made thereunder by that date, if such date is earlier than the date on which such infringement became known to such proprietor or authorised user and such geographical indication is not used or registered in bad faith.

**Chapter VI of the Act deals with Rectification and Correction of the Register:
Power to cancel or vary registration and to rectify the register:**

27. (1) On application made in the prescribed manner to the Appellate Board or to the Registrar by any person aggrieved, the tribunal may make such order as it may think fit for cancelling or varying the registration of a geographical indication or authorised user on the ground of any contravention, or failure to observe the condition entered on the register in relation thereto.

(2) Any person aggrieved by the absence or omission from the register of any entry, or by any entry made in the register without sufficient cause, or by any entry wrongly remaining on the register, or by any error or defect in any entry in the register, may apply in the prescribed manner to the Appellate Board or to the Registrar, and the tribunal may make such order for making, expunging or varying the entry as it may think fit.

(3) The tribunal may in any proceeding under this section decide any question that may be necessary or expedient to decide in connection with the rectification of the register.

(4) The tribunal, of its own motion, may, after giving notice in the prescribed manner to the parties concerned and after giving them an opportunity of being heard, make any order referred to in sub-section (1) or sub-section (2)

(5) Any order of the Appellate Board rectifying the register shall direct that notice of the rectification shall be served upon the Registrar in the prescribed manner who

shall upon receipt of such notice rectify the register accordingly.

28. The Registrar may, on application made in the prescribed manner by the registered proprietor or the authorised user -

- (a) correct any error in the name, address or description of the registered proprietor or the authorised user, as the case may be, of a geographical indication, or any other entry relating to the geographical indication on the register;
- (b) enter any change in the name, address or description of the association of persons or of producers or any organisation or authority, as the case may be, who is registered as proprietor of a geographical indication on the register;
- (c) cancel the entry of a geographical indication on the register;
- (d) strike out any goods or class or classes of goods from those in respect of which a geographical indication is registered from the register, and may make any consequential amendment or alteration in the certificate of registration, and for that purpose, may require the certificate of registration to be produced to him.

29. (1) The registered proprietor of a geographical indication may apply in the prescribed manner to the Registrar for leave to add to or alter the geographical indication in any manner not substantially affecting the identity thereof, and the Registrar may refuse leave or may grant it on such terms and subject to such limitations as he may think fit.

(2) The Registrar may cause an application under this section to be advertised in the prescribed manner in any case where it appears to him that it is expedient so to do, and where he does so, if within the prescribed time from the date of the advertisement any person gives notice to the Registrar in the prescribed manner of the opposition to the application, the Registrar shall, after hearing the parties if so required, decide the matter.

(3) Where leave is granted under this section, the geographical indication as altered shall be advertised in the prescribed manner, unless the application has already been advertised under sub-section (2).

30. (1) The Registrar shall not make any amendment of the register which would have the effect of adding any goods or classes of goods to those in respect of which a geographical indication is registered (whether in one or more classes) immediately before the amendment is to be made or antedating the registration of a geographical indication in respect of any goods:

Provided that this sub-section, shall not apply when the Registrar is satisfied that compliance therewith would involve complexity and that the addition or antedating, as the case may be, would not affect any substantial quantity of goods and would not substantially prejudice the rights of any person.

(2) A proposal so to amend the register shall be brought to the notice of the registered proprietor and every authorised user of the geographical indication affected and advertised in the prescribed manner, and may be opposed before the Registrar by any person aggrieved on the ground that the proposed amendment contravenes the provisions of sub-section (1).

Chapter VII of the Act deals with provisions of APPEALS TO THE APPELLATE BOARD:

Appeals to the Appellate Board: 31. (1) Any person aggrieved by an order or decision of

the Registrar under this Act, or the rules made thereunder, may prefer an appeal to the Appellate Board within three months from the date on which the order or decision sought to be appealed against is communicated to such person preferring the appeal.

(2) No appeal shall be admitted if it is preferred after the expiry of the period specified under sub-section (1):

Provided that an appeal may be admitted after the expiry of the period specified therefor, if the appellant satisfies the Appellate Board that he had sufficient cause for not preferring the appeal within the specified period.

(3) An appeal to the Appellate Board shall be in the prescribed form and shall be verified in the prescribed manner and shall be accompanied by a copy of the order or decision appealed against and such fees as may be prescribed.

Bar of jurisdiction of courts, etc. Procedure of the Appellate Board:

32. No court or other authority shall have or, be entitled to, exercise any jurisdiction, powers or authority in relation to the matters referred to in sub-section (1) of section 31.

33. The provisions of sub-sections (2), (3), (4), (5), (6) of section 84, section 87, section 92, section 95 and section 96 of the Trademarks Act, 1999, shall apply to the Appellate Board in the discharge of its functions under this Act as

they apply to it in the discharge of its functions under the Trademarks Act, 1999.

Procedure For application for rectification etc., before Appellate Board :

34. (1) An application for rectification of the register made to the Appellate Board under section 27 shall be in such form as may be prescribed.

(2) A certified copy of every order or judgment of the Appellate Board relating to a registered geographical indication under this Act shall be communicated to the Registrar by the Appellate Board and the Registrar shall give effect to the order of the Board and shall, when so directed, amend the entries in, or rectify, the register in accordance with such order.

Appearance of Registrar in legal proceedings:

35. (1) The Registrar shall have the right to appear and be heard –

(a) in any legal proceedings before the Appellate Board in which the relief sought includes alteration or rectification of the register or in which any question relating to the practice of the Geographical Indications Registry is raised;

(b) in any appeal to the Board from an order of the Registrar on an application for registration of a geographical indication or authorised user –

(i) which is not opposed, and the application is either refused by the Registrar or is accepted by him subject to any amendments, modifications, conditions or limitations, or

(ii) which has been opposed and the Registrar considers that his appearance is necessary in the public interest, and the Registrar shall appear in any case if so directed by the Board.

(2) Unless the Appellate Board otherwise directs, the Registrar may, in lieu of appearing, submit a statement in writing signed by him, giving such particulars as he thinks proper of the proceedings before him relating to the matter in issue or of the grounds of any decision given by him affecting it, or of the practice of the Geographical Indications Registry in like cases, or of other matters relevant to the issues and within his knowledge as Registrar, and such statement shall be evidence in the proceeding.

36. In all proceedings under this Act before the Appellate Board the costs of the Registrar shall be in the discretion of the Board, but the Registrar shall not be ordered to pay the costs of any of the parties.

15.4 Protection of Geographical Indications

Chapter VIII of the Act deals with Offences, Penalties and Procedure:

37. (1) A person shall be deemed to apply a geographical indication to goods who-

- (a) applies it to the goods themselves; or
- (b) applies it to any package in or with which the goods are sold, or exposed for sale, or had in possession for sale or for any purpose of trade or manufacture; or
- (c) places, encloses or annexes any goods which are sold, or exposed for sale, or had in possession for sale or for any purpose of trade or manufacture, in or with any package or other thing to which a geographical indication has been applied; or
- (d) uses a geographical indication in any manner reasonably likely to lead to the belief that the goods in connection with which it is used are designated or described by that geographical indication; or
- (e) in relation to the goods uses a geographical indication in any sign, advertisement, invoice, catalogue, business letter, business paper, price list or other commercial documents and goods are delivered to a person in pursuance of a request or order made by reference to the geographical indication as so used.

(2) A geographical indication shall be deemed to be applied to goods whether it is woven in, impressed on, or otherwise worked into, or annexed or affixed to, the goods or to any package or other thing.

38. (1) A person shall be deemed to falsify a geographical indication who, either, _

- (a)** without the assent of the authorised user of the geographical indication makes that geographical indication or deceptively similar geographical indication;

or

- (b)** falsifies any genuine geographical indication, whether by alteration, addition, effacement or otherwise.

(2) A person shall be deemed to falsely apply to goods a geographical indication who, without the assent of the authorised user of the geographical indication,-

- (a) applies such geographical indication or a deceptively similar geographical indication to goods or any package containing goods;

- (b)** uses any package bearing a geographical indication which is identical with or deceptively similar to the geographical indication of such authorised user, for the purpose of packing, filling or wrapping therein any goods other than the genuine goods of the authorised user of the geographical indication.

(3) Any geographical indication falsified as mentioned in sub-section (1) or falsely applied as mentioned in sub-section (2), is in this Act referred to as a false geographical indication.

(4) In any prosecution for falsifying a geographical indication or falsely applying a geographical indication to goods, the burden of proving the assent of proprietor shall lie on the accused.

Penalty for applying false geographical indications:

39. Any person who, -

(a) falsifies any geographical indication; or **(b)** falsely applies to goods any geographical indication; or **(c)** makes, disposes of, or has in his possession, any die, block, machine, plate or other instrument for the purpose of falsifying or of being used for falsifying, a geographical indication; or **(d)** applies to any goods to which an indication of the country or place in which they were made or produced or the name and the address of the manufacturer or person for whom the goods are manufactured is required to be applied under section 71, a false indication of such country, place, name or address; or **(e)** tampers with, alters or effaces an indication of origin which has been applied to any goods to which it is required to be applied under Section 72; or **(f)** causes any of the things above-mentioned in this section to be done, shall, unless he proves that he acted, without intent to defraud, be punishable 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 lakhs rupees: Provided that the court may, for adequate and special reasons to be mentioned in the judgement, impose a sentence of imprisonment for a term of less than six months or a fine of less than fifty thousand rupees.

Penalty for selling goods to which false geographical indication:

is applied.**40. Any person who sells, lets for hire or exposes for sale, or hires or has in his possession for sale, goods or things to which any false Geographical indication is applied or which, being required under section 71 to have applied to them an indication of the country or place in which they were made or produced or the name and address of the manufacturer, or person for whom the goods are manufactured or without the indications so required, shall unless he proves, -**
(a) that, having taken all reasonable precautions against committing an offence against this section, he had at the time of commission of the alleged offence no reason to suspect the genuineness of the geographical indication or that any offence had been committed in respect of the goods; or

(b) that, on demand by or on behalf of the prosecutor, he gave all the information in his power with respect to the person from whom he obtained such goods or things; or

(c) That otherwise he had acted innocently, be punishable 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 lakhs rupees:

Provided that the court may, for adequate and special reasons to be mentioned in the judgement, impose a sentence of imprisonment for a term of less than six months or a fine of less than fifty thousand rupees.

Enhanced penalty on second or subsequent conviction:

41. Whoever having already been convicted of an offence under section 39 or section 40 is again convicted of any such offence shall be punishable for the second and for every subsequent offence, with imprisonment for a term 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:

Provided that the court may, for adequate and special reason to be mentioned in the judgement, impose a sentence of imprisonment for a term of less than one year or a fine of less than one lakh rupees: Provided further that for the purposes of this section, no cognizance shall be taken of any conviction made before the commencement of this Act.

42. (1) No person shall make any representation- **(a)** with respect to a geographical indication, not being a registered geographical indication, to the effect that it is a registered geographical indication; or

(b) to the effect that a registered geographical indication is registered in respect of any goods in respect of which it is not in fact registered; or

(c) to the effect that registration of a geographical indication gives an exclusive right to the use thereof in any circumstances in which having regard to limitation entered on the register, the registration does not in fact give that right.

(2) If any person contravenes any of the provisions of sub-section (1), he shall be punishable with imprisonment for a term which may extend to three years, or with fine, or with both.

(3) For the purposes of this section the use in India in relation to a geographical indication of the words “registered geographical indication” or any other expression, symbol or sign like “R.G.I.” referring whether expressly or impliedly to registration, shall be deemed to import a reference to registration in the register, except-

(a) where that word or other expression, symbol or sign is used in direct association with other words delineated in characters at least as large as those in which that word or other expression, symbol or sign is delineated and indicating that the reference to registration as a geographical indication under the law of a country outside India being a country under the law of which the registration referred to is in fact in force; or **(b)** where that other expression, symbol or sign is of itself such as to indicate that the reference is to such registration as is mentioned in clause (a); or **(c)** Where that word is used in relation to a geographical indication registered under the law of a country outside India and in relation solely to goods to be exported to that country for use in that country.

43. If any person uses on his place of business, or on any document issued by him, or otherwise, words which would reasonably lead to the belief that his place of business is, or is officially connected with, the Geographical Indications Registry, he shall be punishable with imprisonment for a term which may extend to two years, or with fine, or with both.

44. If any person makes, or causes to be made, a false entry in the register, or a writing falsely purporting to be a copy of an entry in the register, or produces or tenders or causes to be produced or tendered, in evidence any such writing, knowing the entry or writing to be false, he shall be punishable with imprisonment for a term which may extend to two years, or with fine, or with both.

45. The provisions of sections 39, 40 and 41 shall in relation to a registered geographical indication or authorised user of such geographical indication, be subject to the rights created or recognised by this Act and no act or omission shall be deemed to be an offence under the aforesaid sections if,- (a) the alleged offence relates to a registered geographical indication and the act or omission is permitted under this Act; and (b) the alleged offence relates to a registered geographical indication and the act or omission is permitted under any other law for the time being in force.

Forfeiture of goods: 46. (1) Where a person is convicted of an offence under

section 39 or section 40 or section 41 or is acquitted of an offence under section 39 or section 40 on proof that he acted without intent or fraud, or under section 40 on proof of the matters specified in clause (a) or clause (b) or clause (c) of that section, the court convicting or acquitting him may direct the forfeiture to Government of all goods and things by means of, or in relation to, which the offence has been committed, or but for such proof as aforesaid would have been committed.

(2) When a forfeiture is directed on a conviction and an appeal lies against the conviction, an appeal shall lie against the forfeiture also.

(3) When, a forfeiture is directed on acquittal and the goods or things to which the direction relates are of value exceeding fifty rupees, an appeal against the forfeiture may be preferred, within thirty days from the date of the direction, to the court to which in appealable cases appeal lies from sentences of the court which directed the forfeiture.

(4) When a forfeiture is directed on a conviction, the court, before whom the person is convicted, may order any forfeited articles to be destroyed or otherwise disposed of as the court thinks fit.

Exemption of certain persons employed in ordinary course of business:

47. Where a person accused of an offence under section 39 proves,-

(a) that in the ordinary course of his business he is employed on behalf of other persons to apply geographical indications, or as the case may be, to make dies, blocks, machines, plates, or other instruments for making, or being used in making, geographical indications; (b) that in the case which is the subject of the charge he was so employed, and was not interested in the goods or other things by way of profit or commission depend on the sale of such goods;

(c) that, having taken all reasonable precautions against committing the offence charged, he had, at the time of the commission of the alleged offence, no reason to suspect the genuineness of the geographical indication; and

(d) that, on demand made by or on behalf of the prosecutor, he gave all the information in his power with respect to the persons on whose behalf the geographical indication was applied, he shall be acquitted.

Procedure where invalidity of registration is pleaded by the accused:

48. (1) Where the offence charged under section 39 or section 40 or section 41 is in relation to a registered geographical indication and the accused pleads that the registration of the geographical shall be followed:-

(a) if the court is satisfied that such defence is prima facie tenable, it shall not proceed with the charge but shall adjourn the proceeding for three months from the date on which the plea of the accused is recorded to enable the accused to file an application before the Appellate Board under this Act, for the rectification of the register on the ground that the registration is invalid;

(b) if the accused proves to the court that he has made such application within the time so limited or within such further time as the court may for sufficient cause allow, the further proceedings in the prosecution shall stand stayed till the disposal of such application for rectification;

(c) if within a period of three months or within such extended time as may be allowed by the court the accused fails to apply to the Appellate Board for rectification of the register, the court shall proceed with the case as if the registration were valid.

(2) Where before the institution of a complaint of an offence referred to in sub-section (1), any application for the rectification of the register concerning the geographical indication in question on the ground of invalidity of the registration thereof has already been properly made to and is pending before the tribunal,

the court shall stay the further proceedings in the prosecution pending the disposal of the application aforesaid and shall determine the charge against the accused in conformity with the result of the application for rectification in so far as the complainant relies upon the registration of his geographical indication.

49. (1) If the person committing an offence under this Act is a company, the company as well as every person in charge of, and responsible to, the company for the conduct of its business at the time of the commission of the offence shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or that the commission of the offence

is attributable to any neglect on the part of, any director, manager, secretary or the officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.- For the purpose of this section,-

(a) "company" means any body corporate and includes a firm or other association of individuals; and

(b) "director", in relation to a firm, means a partner in the firm

50 (1) No court shall take cognizance of an offence under section 42 or section 43 or section 44 except on complaint in writing made by the Registrar or any officer authorised by him in writing: Providing that in relation to clause (b) of subsection (1) of section 42, a court shall take a cognizance of an offence on the basis of a certificate issued by the Registrar to the effect that a registered geographical indication has been represented as registered in respect of any goods in respect of which it is not in fact registered.

(2) No court inferior to that of a Metropolitan Magistrate or Judicial Magistrate of the first class shall try an offence under this Act.

(3) The offences under Section 39 or section 40 or section 41 shall be cognizable.

(4) Any police officer not below the rank of deputy superintendent of police or equivalent, may, if he is satisfied that any of the offences referred to in sub-section (3) has been, is being, or is likely to be, committed, search and seize without warrant the goods, die, block, machine, plate, other instruments or things involved in committing the offence, wherever found, and all the articles so seized shall, as soon as practicable, be produced before the Judicial Magistrate of the first class or Metropolitan Magistrate, as the case may be:

Provided that the police officer, before making any search and seizure, shall obtain the opinion of the Registrar on the facts involved in the offence relating to geographical indication and shall abide by the opinion so obtained.

(5) Any person having an interest in any article seized under sub-section (4), may, within fifteen days of such seizure, make an application to the Metropolitan Magistrate, as the case may be, for such article being restored to him and the Magistrate, after hearing the application and the prosecution, shall make such order on the application as he may deem fit.

Costs of defence of prosecution:

51. In any prosecution under this Act, the court may order such costs to be paid by the accused to the complainant, or by the complainant to the accused, as the court deemed reasonable having regard to all the circumstances of the case and the conduct of the parties and the costs so awarded shall be recoverable as if they were a fine.

Limitation of prosecution:

52. No prosecution for an offence Under this Act shall be commenced after the expiration of three years next after the commission of the offence charged or two years after the discovery thereof by the prosecutor, whichever expiration first happens.

Information as to commission of offence:

53. An officer of the Government whose duty it is to take part in the enforcement of the provisions of this Chapter shall not be compelled in any court to say whence he got any information as to the commission of any offence against this Act.

Punishment for abetment in India of acts done out of India:

54. If any person, being within India, abets the commission, without India, of any act which, if committed in India, would, under this Act, be an offence, he may be tried for such abetment in any place in India in which he may be found, and be punished therefor with the punishment to which he would be liable if he had himself committed in that place the act which he abetted.

Chapter IX is with miscellaneous Provisions, which are as under:

Protection of action taken in good faith:

55. No suit or other legal proceedings shall lie against any person in respect of anything which is in good faith done or intended to be done in pursuance of this Act.

Certain persons to be public servants:

56. Every person appointed under this Act shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code.

Stay of proceedings where the validity of registration of the geographical indication is questioned, etc.,:

57. (1) where in any suit for infringement of a geographical indication the defendant pleads that registration of the geographical indication relating to

plaintiff is invalid, the court trying the suit (hereinafter referred to as the court), shall,-

(a) if any proceedings for rectification of the register to the geographical indication relating to plaintiff or defendant are pending before the Registrar or the Appellate Board, stay the suit pending the final disposal of such proceedings;

(b) if no such proceedings are pending and the court is satisfied that the plea regarding the invalidity of the registration of the geographical indication relating to plaintiff or defendant is *prima facie* tenable, raise an issue regarding the same and adjourn the case for a period of three months from the date of the framing of the issue in order to enable the party concerned to apply to the Appellate Board for rectification of the register.

(2) If the party concerned proves to the court that he has made any such application as is referred to in clause (b) of sub-section (1) within the time specified therein or within such extended time as the court may for sufficient cause allow, the trial of the suit shall stand stayed until the final disposal of the rectification proceedings.

(3) If no such application as aforesaid has been made within the time so specified or within such extended time as the court may allow, the issue as to the validity of the registration of the geographical indication concerned shall be deemed to have been abandoned and the court shall proceed with the suit in regard to the other issues in the case.

(4) The final order made in any rectification proceedings referred to in sub-section (1) or sub-section (2) shall be binding upon the parties and the court shall dispose of the suit conformably to such order in so far as it relates to the issue as to the validity of the registration of the geographical indication.

(5) The stay of a suit for the infringement of a geographical indication under this section shall not preclude the court from making any interlocutory order (including any order granting an injunction, directing account to be kept, appointing a receiver or attaching any property), during the period of the stay of the suit.

58. (1) Where in a suit for infringement of a registered geographical indication the validity of the registration of the geographical indication relating to plaintiff is questioned by the defendant or where in any such suit the plaintiff questions the validity of the registration of the geographical indication relating to defendant, the issue as to the validity of the registration of the geographical indication concerned shall be determined only on an application for the rectification of the register

and, notwithstanding anything contained in section 27, such application shall be made to the Appellate Board and not to the Registrar.

(2) Subject to the provisions of sub-section (1), where an application for rectification of the register is made to the Registrar under Section 27, the Registrar may, if he thinks fit, refer the application at any stage of the proceedings to the appellate Board.

59. Where a geographical indication has been applied to the goods on sale or in the contract for sale of any goods, the seller shall be deemed to warrant that the geographical indication is a genuine geographical indication and not falsely applied, unless the contrary is expressed in writing signed by or on behalf of the seller and delivered at the time of the sale of goods on contract to and accepted by the buyer.

60. In all proceedings under this Act before the

Registrar,- **(a)** the Registrar shall have all the powers of a civil court for the purposes of receiving evidence, administering oaths, enforcing the attendance of witnesses, compelling the discovery and production of documents and issuing commissions for the examination of witness;

(b) the Registrar may, subject to any rules made in this behalf under section 87, make such orders as to costs as he considers reasonable, and any such order shall be executable as a decree of a civil court;

(c) The Registrar may, on an application made in the prescribed manner, review his own decision.

61. Subject to the provisions of section 64, the Registrar shall not exercise any discretionary or other power vested in him by this Act or the rules made thereunder adversely to a person applying for the exercise of that power without (if so required by that person within the prescribed time) giving to the person an opportunity of being heard.

62. In any proceeding under this Act before the Registrar, evidence shall be given by affidavit: Provided that the Registrar may, if he thinks fit, take oral evidence in lieu of, or in addition to, such evidence by affidavit.

63. If a person who is a party to a proceeding under this Act (not being a proceeding before the Appellate Board or a court) dies pending the proceeding, the Registrar may, on request, and on proof to this satisfaction of the transmission of the interest of the deceased person, substitute in the proceeding his successor in interest in his place, or, if the Registrar is of opinion that the interest of the deceased person

is sufficiently represented by the surviving parties, permit the proceeding to continue without the substitution of his successor in interest.

64. (1) If the Registrar is satisfied, on application made to him in the prescribed manner and accompanied by the prescribed fee, that there is sufficient cause for extending the time for doing any act (not being a time expressly provided in the Act), whether the time so specified has expired or not, he may, subject to such conditions as he may think fit to impose, extend the time and inform the parties accordingly.

(2) Nothing in sub-section (1) shall be deemed to require the Registrar to hear the parties before disposing of an application for extension of time, and no appeal shall lie from any order of the Registrar under this section.

65. Where, in the opinion of the Registrar, an applicant is in default in the prosecution of an application filed under this Act, the Registrar may, by notice require the applicant to remedy the default within a time specified and after giving him, if so, desired, an opportunity of being heard, treat the application as abandoned, unless the default is remedied within the time specified in the notice.

Suit for infringement, etc., to be instituted before district court:

66. (1) No suit,-

(a) for the infringement of a registered geographical indication; or
(b) relating to any right in a registered geographical indication; or
(c) for passing off arising out of the use by the defendant of any geographical indication which is identical with or deceptively similar to the geographical indication relating to the plaintiff, whether registered or unregistered, shall be instituted in any court inferior to a district court having jurisdiction to try the suit.

(2) For the purpose of clauses (a) and (b) of sub-section

(1), a "district court having jurisdiction" shall, notwithstanding anything contained in the Code of Civil Procedure, 1908, or any other law for the time being in force, include a district court within the local limits of whose jurisdiction, at the time of the institution of the suit or other proceeding, the person instituting the suit or proceeding, or, where there are more than one such persons any of them, actually and voluntarily resides or carries on business or personally works for gain.

Explanation.- For the purposes of sub-section (2), "person" includes the registered proprietor and the authorised user.

Relief in suit for infringement or for passing off:

67. (1) The relief which a court may grant in any suit for infringement or for passing off referred to in section 66 includes injunction (subject to such terms, if any, as the court thinks fit) and at the option of the plaintiff, either damages or account of profits, together with or without any order for the delivery- up of the infringing labels and indications for destruction or erasure.

(2) The order of injunction under sub-section(1) may include an *ex parte* injunction or any interlocutory order for any of the following matters, namely:-

(a) for discovery of documents;

(b) preserving of infringing goods, documents or other evidence which are related to the subjectmatter 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.

(3) Notwithstanding anything contained in sub-section (1), the court shall not grant relief by way of damages (other than nominal damages) on account of profits in any case-

(a) where in a suit for infringement the defendant satisfies the court-

(i) that at the time he commenced to use the geographical indication complained of in the suit he was unaware and had no reasonable ground for believing that the geographical indication of the plaintiff was on the register; and

(ii) that when he became aware of the existence and nature of the plaintiff's right in the geographical indication, he forthwith ceased to use the geographical indication in relation to good in respect of which it was registered;

or

(b) where in a suit for passing off, the defendant satisfies the court-

(i) that at the time he commenced to use the geographical indication complained of in the suit he was unaware and had no reasonable ground or believing that the geographical indication relating to the plaintiff was in use; and **(ii)** that when he became aware of the existence and nature of the geographical indication relating to the plaintiff he forthwith ceased to use the eographical indication complained of.

68. (1) In every proceeding under Chapter VI or nder section 31, every authorised user of a geographical indication to which such proceeding relate, who is not himself

an applicant in respect of any proceeding under that Chapter or section, shall be made a party to the proceeding.

(2) Notwithstanding anything contained in any other law, an authorised user so made a party to the proceeding shall not be liable for any costs unless he enters an appearance and takes part in the proceeding .

69.(1) A copy of any entry in the register or of any document referred to in sub-section(1) of section 78 purporting to be certified by the Registrar and sealed with the seal of the Geographical Indications Registry shall be admitted in evidence in all courts and in all proceedings without further proof or production of the original.

(2) A certificate purporting to be under the hand of the Registrar as to any entry, matter or thing that he is authorised by this Act or he rules to make or do shall be *prima facie* evidence of the entry having been made, and of the contents thereof, or of the matter or things having been done or not done.

70. The Registrar or any officer of the Geographical Indications Registry shall not, in any legal proceedings to which he is not a party, be compellable to produce the register or any other document in his custody, the contents of which can be proved by the production of a certified copy issued under this Act or to appear as a witness to prove the matters therein recorded unless by order of the court made for special cause.

71.(1) The Central Government may, by notification in the Official Gazette, require that goods of any class specified in the notification which are made or produced beyond the limits of India and imported into India, or, which are made or produced within the limits of India, shall, from such date as may be appointed by the notification not being less than three months from its issue, have applied to them an indication of the country or place in which they were made or produced, or of the name and address of the manufacturer or the person for whom the goods were manufactured.

(2) The notification may specify the manner in which such indication shall be applied, that is to say, whether to goods themselves or in any other manner, and the times or occasions on which the presence of the indication shall be necessary, that is to say, whether on importation only, or also at the time of sale, whether by wholesale or retail or both.

(3) No notification under this section shall be issued, unless application is made for its issue by persons or associations substantially representing the interests of dealers in, or manufacturers, producers, or users of, the goods concerned, or unless the Central Government is otherwise convinced that it is necessary in the public interest to issue the notification, with or without such inquiry, as the Central Government may consider necessary.

(4) The provisions of section 23 of the General Clauses Act, 1897 shall apply to the issue of a notification under this section as they apply to the making of a rule or bye-law the making of which is subject to the condition of previous publication.

(5) A notification under this section shall not apply to goods made or produced beyond the limits of India and imported into India, if in respect of those goods, the Commissioner of Customs is satisfied at the time of importation that they are intended for exportation whether after transshipment in or transit through India or otherwise.

Certificate of validity:

72. If in any legal proceedings for rectification of the register before the Appellate Board a decision is on contest given in favour of the registered proprietor or, as the case may be, authorised user of the geographical indication on the issue as to the validity of the registration of the geographical indication or the authorised user, the Appellate Board may grant a certificate to that effect, and if such a certificate is granted, then, in any subsequent legal proceeding in which the said validity comes into question the said proprietor or the authorised user, as the case may be, on obtaining a final order or judgement in his favour affirming validity of the registration of the geographical indication or the authorised user, as the case may be, shall unless the said final order or judgement for sufficient reason directs otherwise, be entitled to his full cost charges and expenses as between legal practitioner and client.

Groundless threats of legal proceedings:

73.(1) Where a person, by means of circulars, advertisement or otherwise, threatens a person with an action or proceeding for infringement of a geographical indication which is registered, or alleged by the firstmentioned person to be registered, or with some other like proceeding, a person aggrieved, may, whether the person making the threats is or is not the registered proprietor or the authorised user

of the geographical indication, bring a suit against the first-mentioned person and may obtain a declaration to the effect that the threats are unjustifiable, and an injunction against the continuance of the threats and may recover such damages (if any) as he has sustained, unless the first-mentioned person satisfies the court that the geographical indication is registered and that the acts in respect of which the proceedings were threatened, constitute, or, if done, would constitute, an infringement of the geographical indication.

(2) The last preceding sub-section does not apply if the registered proprietor of the geographical indication or an authorised user thereof with due diligence commences and prosecutes an action against the person threatened for infringement of the geographical indication.

(3) Nothing in this section shall render a legal practitioner or a registered geographical indications agent liable to an action under this section in respect of an act done by him in his professional capacity on behalf of a client.

(4) A suit under sub-section (1) shall not be instituted in any court inferior to a district court.

Address for service:

74. An address for service stated in an application or notice of opposition shall, for the purposes of the application or notice of opposition be deemed to be the address of the applicant or opponent, as the case may be, and all documents in relation to the application or notice of opposition may be served by leaving them at or sending them by post to the address for service of the applicant or opponent, as the case may be.

Trade usages, etc., to be taken into consideration.:

75. In any proceeding relating to a geographical indication, the tribunal shall admit evidence of the usages of the trade concerned and of any relevant geographical indication legitimately used by other persons.

Agents:

76. Where, by or under this Act, any act, other than the making of an affidavit, is required to be done before the Registrar by any person, the act may, subject to the rules made in this behalf, be done instead of by that person himself, by a person duly authorised in the prescribed manner, who is,-

- (a) a legal practitioner, or
- (b) a person registered in the prescribed manner

as a geographical indications agent, or

(c) a person in the sole and regular employment of the principal.

77. There shall be kept under the directions and supervision of the Registrar,-

(a) an index of registered geographical indications,

(b) an index of geographical indications in respect of which applications for registration are pending,

(c) an index of the names of the proprietors of registered geographical indications, and

(d) an index of the names of authorised users.

78. (1) The following documents, subject to such conditions as may be prescribed, be open to public inspection at the Geographical Indications Registry, namely:-

(a) the register and any document upon which any entry in the register is based;

(b) every notice of opposition to the registration of a geographical indication, application for rectification before the Registrar, counterstatement thereto, and any affidavit or document filed by the parties in any proceedings before the Registrar;

(c) the indexes mentioned in section 77; and

(d) such other documents as the Central Government may, by notification in the Official Gazette, specify:

Provided that where such register is maintained wholly or partly on computer, the inspection of such register under this section shall be made by inspecting the computer print out of the relevant entry in the register so maintained on computer.

(2) Any person may, on an application to the Registrar and on payment of such fee as may be prescribed, obtain a certified copy of any entry in the register or any document referred to in sub-section(1).

79. The Central Government shall cause to be placed before both Houses of Parliament once a year a report respecting the execution by or under this Act.

80. (1) There shall be paid in respect of applications and registrations and other matters under this Act such fees and surcharge as may be prescribed by the Central Government.

(2) Where a fee is payable in respect of the doing of an act by the Registrar, the Registrar shall not do that act until the fee has been paid.

(3) Where a fee is payable in respect of the filing of a document at the Geographical Indications Registry, the document shall be deemed not to have been filed at the registry until the fee has been paid.

81. Nothing in Chapter VIII shall-

(a) exempt any person from any suit or other proceeding which might, but for anything in that Chapter, be brought against him, or

(b) be construed so as to render liable to any prosecution or punishment any servant of a master resident in India who in good faith acts in obedience to the instructions of such master, and, on demand made by or on behalf of the prosecutor, has given full information as to his master and as to the instructions which he has received from his master.

82. Notwithstanding anything contained in the Registration Act, 1908, no document declaring or purporting to declare any title of a person to a geographical indication other than a registered geographical indication shall be registered under that Act.

83. The provisions of this Act shall be binding on the Government.

84. (1) With a view to the fulfilment of a treaty, convention or arrangement with any country or a country which is a member of a group of countries or union of countries or Inter- Governmental Organisations outside India which affords to citizens of India similar privileges as granted to its own citizens, the Central Government may, by notification in the Official Gazette, declare such country or group of countries or union of countries or Inter-Governmental Organisations to be a convention country or convention countries for the purposes of this Act.

(2) Nothing contained in this Act or the Trademarks Act, 1999 shall prevent a continued and similar use of geographical indication relating to a country or a country which is a member of a group of countries or union of countries or any Inter-Governmental Organisations, as the case may be, notified under sub-section(1) identifying wines or spirits in connection with goods by any citizen or domiciliary of such country who has used that geographical indication in continuous manner with regard to such goods or any goods relating to such goods, as the case may be, in any part of the territory of that country either-

(a) for at least ten years preceding the 15th day of April, 1994; or

(b) in good faith preceding the date referred to in clause (a).

85. Where any country or a country which is a member of a group of countries or union of countries or any Inter- Governmental Organisation specified by the Central Government in this behalf by notification in the Official Gazette does not accord to citizens of India the same rights in respect of the registration and protection of geographical indications as it accords to its own nationals, no nationals of such

country or a country which is a member of a group of countries or union or countries or Inter-Governmental Organisations, as the case may be, shall be entitled-

(a) to apply for the registration of, or be registered as the proprietor of geographical indications;

(b) to apply for registration or be registered as an authorised user of a geographical indication.

86.(1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act as may appear to be necessary for removing the difficulty:

Provided that no order shall be made under this section after the expiry of five years from the commencement of this Act.

(2) Every order made under this section shall, as soon as may be after it is made, be laid before each House of Parliament.

87.(1) The Central Government may, by notification in the Official Gazette and subject to the condition of previous publication, make rules to carry out the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:-

(a) the matters to be included in the Register of Geographical Indications under sub-section(1), and the safeguards to be observed in the maintenance of such register in computer floppies or diskettes under sub-section(2) of section 6;

(b) the manner of incorporation of particulars relating to registration of geographical indications in Part A under sub-section (2) and the manner of incorporation of particulars relating to the registration of the authorised users under sub-section(3) of section 7;

(c) the classification of goods and the manner of publication of the alphabetical index of classification of goods and the definite territory or locality or region for the purpose of registration of geographical indications under sub-section(1) of section 8;

(d) the form in which and the manner in which an application for registration of a geographical indication may be made and the fees which may accompany the application under sub-section (1) and the particulars to be made in the statement of producers of goods who proposes to be initially registered with the registration under clause (f) of subsection (2) of section 11;

- (e) the manner publication of advertisement of accepted application, for registration of geographical indications, etc., under sub-section(1), and the manner of notifying the corrections or amendments made in the application under sub-section(2) of section 13;
- (f) the manner in which and the fee which may accompany an application and the manner of giving notice under sub-section(1) and the manner of sending counter statement under sub-section (2) and the manner of submissions of evidence and the time therefor under sub-section(4) of section 14;
- (g) the form of certificate of registration under subsection(2) and the manner of giving notice to the applicant under sub-section(3) of section 16;
- (h) the manner of applying for registration as an authorised user under sub-section(1) and the manner of submitting statements and documents along with such application and the fee which may accompany such application under sub-section(2) of section 17;
- (i) the manner of making application, the time within which such application is to be made and the fee payable with each application, under sub-section (3) and the time within which the Registrar shall send notice and the manner of such notice under subsection (4) and the form in which and the fee which may accompany an application for renewal to be made under sub-section(5) of section 18;
- (j) the manner of making applications under sub-sections (1) and (2) the manner of giving notice under subsection(4) and the manner of service of notice of rectification under sub-section (5) of section 27;
- (k) the manner of making an application for correction, etc., under section 28;
- (l) the manner of making an application under subsection (1), the manner of advertising an application under sub-section (1), the time and manner of notice by which an application may be opposed under subsection (2)and (3) of section 29; (m) the manner of advertisement under sub-section(2) of section 30;
- (n) the form of making an appeal, the manner of verification and the fee payableunder sub-section(3) of section 31;
- (o) the form in which an application for rectification shall be made, under sub-section (1) of section 34;
- (p) the manner of making an application for review under clause (c) of section 60;

- (q) the time within which an application is to be made to the Registrar for exercising his discretionary power under Section 61;
- (r) the manner of making an application and the fee payable therefore under sub-section(1) of section 64;
- (s) the manner of authorising any person to act and the manner of registration of a geographical indications agent under section 76;
- (t) the fee and surcharge payable for applications and registrations and other matters under sub-section(1) of section 80;
- (u) any other matter which is required to be, or may be, prescribed.

(3) Every rule made by the Central Government under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

15.5 Summary

Law relating to geographic indications of goods is to protect the identity of goods having a particular geographic origin. The geographic origin is the reason of their particular characteristics or quality. For example Benaras silk sarees, Tirupati's laddoo or Bikaneri Bhujia, scissors from Merrut etc. Under the law relating to trademarks geographical names are not protected because they are considered to be descriptive and therefore non-registrable.

15.6 Self assessment Questions

1. What are Geographical Indication? Explain.
2. Discuss the procedure for registration of Geographical Indication.
3. Explain advantages of registration of Geographical Indication.

15.7 Suggested Readings

The Act

Unit 16

Remedy of infringement and passing off under the G I Act,1999.

Objectives

- The present unit would begin with a discussion on effect of registration as far as the question what remedy is conferred by virtue of registration.
- Further, it would look into rights conferred by registration under the Act. Further it will discuss the circumstances which would amount to infringement under the Act.
- It will also discuss the protection available for an unregistered geographical indication. Further, it will discuss the courts having jurisdiction to entertain a suit for infringement and passing off. Lastly, it will discuss the relief available in such a suit.

Structure

- 16.1 Introduction
- 16.2 Procedure for Registration and Effect of Registration
- 16.3 Rights Conferred by Registration
- 16.4 Remedies Available for Violation of a Geographical Indication
- 16.5 Courts having Jurisdiction to Entertain Suit for Infringement and Passing Off
- 16.6 Relief
- 16.7 Analysis of Cross- Category Claims under the Act: Tea Board, India v. ITC Ltd. Case.
- 16.8 Conclusion
- 16.9 Self-Assessment Questions
- 16.10 Further Readings

16.1 Introduction

Infringement simply speaking means a trespass into the domain of the right of others, herein, it is a trespass into the domain of the rights of registered proprietor or

authorized user. Chapter IV of the Geographical Indications of Goods (Registration and Protection) Act, 1999 talks about effects of registration, wherein it statutorily recognises the remedy of infringement shall be available for registered geographical indications in addition to the remedy for Passing off. Registration apart from conferring the remedy for infringement confers rights upon the registered proprietors and the authorized user. The Act provides for the specific circumstances which would result in infringement of a registered geographical indication along with the relief that is available in such suits along with the mention of the court having jurisdiction to entertain such suits.

16.2 Effects of Registration

Under Section 20 of the Act, there can be no action for infringement of unregistered geographical indication, it disentitles the registered proprietor and/or the authorized users to bring about such a suit. Further, in its Sub-section (2) it states that nothing in this Act shall be deemed to affect rights of action against any person for passing off goods as the goods of another person or the remedies in respect thereof. Also Section 23 Sub-section (2) states that nothing in this section shall be deemed to affect the right of action in respect of an unregistered trademark. However, in view of Section 20 sub-section (2), Section 23 (2) seems to be of little relevance and a mere repetition. Nevertheless, the effect of this is that registration confers an extra remedy for infringement in addition to the remedy for passing off. That is the advantage of registration. The reason being that even when the registered proprietor and/or the authorized user might lose in one of the remedies there are chances that he may prove his case in relation to the other remedy.

16.3 Rights Conferred by Registration

Besides conferring a right to bring about the suit for infringement in addition to passing off Section 21 subject to other provisions of the Act, the registration confers the following rights:

- i. To the registered proprietor of the geographical indication and the authorized user or users thereof to obtain relief in respect of infringement of the geographical indication in the manner provided under this Act;

ii. To the authorized user thereof the exclusive right to the use of the geographical indication in relation to the goods in respect of which the geographical indication is registered.

So, the registration confers a right to seek remedy for infringement and confers an exclusive right to use the geographical indication in respect of goods for which it has been registered. However, the exclusive right to apply is not absolute it is subject to such conditions and limitations to which the registration is subject to.

Sub-section (3) provides that two or more authorised users of a registered geographical indication shall have co-equal rights. It states that where two or more persons are authorised users of geographical indications, which are identical with or nearly resemble each other, the exclusive right to the use of any of those geographical indications shall not (except so far as their respective rights are subject to any conditions or limitations entered on the register) be deemed to have been acquired by anyone of those persons as against any other of those persons has otherwise the same rights as against other persons as he would have as if he were the sole authorised user.

16.4 Remedies Available for violation of a Geographical Indication

In event of violation of a geographical indication the first thing that needs to be ascertained is whether the geographical indication alleged to have been violated is a registered or an unregistered geographical indication. If it is a registered geographical indication the remedies for infringement and passing off would be available and if it is an unregistered geographical indication only the remedy of passing off is available. After ascertaining the same we shall discuss what is an infringement under the Act.

Section 21 speaks about infringement of registered geographical indication. A person not being an authorized user infringes a registered geographical indication infringes, if-

i. He *uses* such geographical indication *by any means in the designation or presentation* of goods that indicates or suggests that such goods originate in a

geographical area other than the true place of the origin of such goods *in a manner which misleads the persons* as to the geographical origin of such goods; or

ii. Uses any geographical indication in such manner which constitutes *an act of unfair competition including passing off* in respect of unregistered geographical indication; or

iii. Uses another geographical indication to the goods which, *although literally true* as to the territory, region or locality in which the goods originate, *falsely represents to the persons* that the goods originate in the territory, region or locality in respect of which registered geographical indication relates.

Explanation 1 annexed to clause (b) of Section 21 ss. (1) states that for the purpose of this clause, "acts of unfair competition" means any act of unfair competition contrary to honest practices in industrial or commercial matters. Explanation 2 for the removal of doubts, clarifies that the following acts shall be deemed to be acts of unfair competition, namely-

i. All acts of such a nature as to create confusion by any means whatsoever with the establishment, the goods or the industrial or commercial activities, of a competitor;

ii. False allegations in the course of trade of such a nature as to discredit the establishment, the goods or the industrial or commercial activities, of a competitor;

iii. Geographical indications, the use of which in the course of trade is liable to mislead the persons as to the nature, the manufacturing process, the characteristics, the territory, region or locality in respect of which such registered geographical indication relates.

The Central Government may if it thinks necessary can provide for additional protection to certain goods and class of goods by notification in the official gazette, specify the same. Any person who is not authorized user in respect of goods so notified by the Central Government uses any other indication to such goods not originating in the place indicated by such other geographical indication or uses such other geographical indication to such goods even indicating the true origin of such goods or uses such other geographical indication in translation of the true place of origin or accompanied by expressions such as "kind", "style", "imitation", or the like expression, shall infringe such registered geographical indication. Sub-section (4) further provides that once a geographical indication is lawfully acquired further

dealing in such goods shall not constitute an infringement unless the goods are impaired after they have been put in the market.

Another set of remedy is passing-off which is available for both registered and unregistered geographical indications. The conditions which needs to be satisfied are reputation and goodwill of the geographical indication, misrepresentation calculated to deceive the consuming public about the geographical origin (with or without intention), and, lastly actual or probable damage likely to occur to the owner of the geographical indication.

16.5 Courts having Jurisdiction to Entertain the Suits for Infringement and Passing-off

Section 66 provides that the suits for certain matters has to be instituted before the District Court. The matters are:

- i. For the infringement of a registered geographical indication; or
- ii. Relating to any right in a registered geographical indication; or
- iii. For passing off arising out of the use by the defendant of any geographical indication which is identical with or deceptively similar to the geographical indication relating to the plaintiff, whether registered or unregistered.

The District Court for that purpose under the Code of Civil Procedure, 1908 or any other law for the time being in force include a district court within the local limits of whose jurisdiction, at the time of the institution of the suit or other proceeding, the person instituting the suit or proceeding, or, where there are more than one such persons any of them, actually and voluntarily resides or carries on business or personally works for gain. The person in this includes the registered proprietor and the authorized user.

16.6 Relief

The reliefs available in suit for infringement and passing off as per Section 67 are:

- a. Injunction (subject to such terms, if any, as the court thinks fit); and

b. At the option of the plaintiff either damages or account of profits together with or without any order for the delivery-up of the infringing labels and indications for destruction or erasure.

The order of injunction may include an *ex parte* or interlocutory order for any of the following matters, namely-

- i. For discovery of documents;
- ii. Preserving of infringing goods, documents or other evidence which are related to the subject-matter of the suit;
- iii. 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) on account of profits in any case-

- a. Where in a suit for infringement the defendant satisfies the court-
 - i. That at the time he commenced to use the geographical indication complained of in the suit he was unaware and had no reasonable ground for believing that the geographical indication of the plaintiff was in the register; and
 - ii. That when he became aware of the existence and nature of the plaintiff's right in the geographical indication, he forthwith ceased to use the geographical indication in relation to goods in respect of which it was registered; or
- b. Where in a suit for passing off, the defendant satisfies the court-
 - i. That at the time he commenced to use the geographical indication complained of in the suit he was unaware and had no reasonable ground for believing that the geographical indication relating to the plaintiff was in use; and
 - ii. That when he became aware of the existence and nature of the geographical indication relating to the plaintiff he forthwith ceased to use the geographical indication complained of.

16.7 Analysis of Cross- Category Claims under the Act: Tea Board, India v. ITC Ltd. Case

One of the issue that raises in the interface between the interface between trade ark and geographical indication is the situation of cross category claims, that is, as

geographical indications are used in relation to goods so what will happen when someone uses a registered geographical indication in relation to service is the question. The court in the case below the court held that cross- category claims are permissible under the Act.

Tea Board, India Vs. ITC Limited, MIPR 2011 (2) 160

JUDGMENT

Sanjib Banerjee, J.

1. The two parties have locked horns over "Darjeeling" in Calcutta. The claimant asserts exclusivity over "Darjeeling" and insists that it may not be used by the Defendant without leave; the Defendant extols the virtues of the sights and sounds of the idyllic crucible of nature's bounty that answers by that lilting description and maintains that there is more to "Darjeeling"- its misty mornings, alluring snow caps in the distance and the innocence of its apple-cheeked children - than the tea that is grown thereabouts.

2. The Plaintiff is a statutory body set up under the Tea Act, 1953. The Plaintiff is the registered owner of the two sets of trademarks. The marks are word "Darjeeling" and a round device featuring the exquisite profile of a lady to the right holding the easily recognizable two-leaves-and-a-bud in her left hand and the word "Darjeeling" spelt out on the edge running from 9 o'clock to 12 o'clock. The word and device marks are independently registered under the Geographical Indication of Goods (Registration & Protection) Act 1999 and the Trademarks Act, 1999.

3. The Plaintiff's grievance here is in the Defendant naming a section of its luxurious ITC Sonar Hotel in the city as the "Darjeeling Lounge." The Plaintiff has run its case at several levels: first claiming that the use of "Darjeeling" in the name of the exclusive lounge amounts to infringement of the Plaintiff's "Darjeeling" geographical indication mark and certification mark; that, at any rate, it amounts to passing-off; and, that it leads to dilution of the "Darjeeling" brand which is only the Plaintiff's to exploit.

4. The Defendant attempts to cut the Plaintiff's case at the very root. The Defendant says that before discrediting the claim on the basis of what can and does go on at the Defendant's "Darjeeling Lounge," it is the very foundation of the claim which is

flawed. The Defendant reads the Geographical Indications (GI) Act to permit a grievance relating to the breach of a right conferred by the registration of a mark there under to be restricted to goods. It suggests that since the GI Act is concerned with goods and seeks to protect only goods that have an element of distinctiveness on account of quality or reputation or other characteristic which is attributable to their geographical origin, the registration there under permits a complaint by a proprietor against any person or persons connected with the goods complained of; but does not stretch the rights conferred by registration there under to proceed against any service or persons connected with the service complained of.

5. The merits of the Plaintiff's complaint - the prima facie case that is the lot of the interlocutory court - would not much detain the assessment; it is the more deep-rooted criticism by the Defendant of the Plaintiff's perceived cause of action that may. The Defendant wants the GI Act understood as providing protection only to goods against goods and persons connected therewith and not having room enough to allow a complaint by a registered proprietor against any service or persons connected with the impugned service.

6. The GI Act announces in its preamble that it provides for the registration and better protection of geographical indications relating to goods. In its statement of objects and reasons, the bill that preceded the Act proclaimed that unless a geographical indication was protected in the country of its origin, there would be no obligation under the agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) for other countries to extend reciprocal protection and that would be to the detriment of goods bearing Indian geographical indications in the international market. Section 2(1)(f) of the GI Act defines "goods" to mean any agricultural, natural or manufactured goods or any goods of handicraft or of industry including foodstuff. The following Sub-section gives an inclusive definition of "indication" to imply any name, geographical or figurative representation or any combination of them conveying or suggesting the geographical origin of the goods to which it applies. Section 2(1)(e) of the GI Act is of the very essence of this statute:

2. Definitions and interpretation. - (1) In this Act, unless the context otherwise requires,- ...

(e) "geographical indication", in relation to goods, means an indication which identifies such goods as agricultural goods, natural goods or manufactured goods as originating, or manufactured in the territory of country, or a region or locality in that territory, where a given quality, reputation or other characteristic of such goods is essentially attributable to its geographical origin and in case where such goods are manufactured goods one of the activities of either the production or of processing or preparation of the goods concerned takes place in such territory, region or locality, as the case may be.

Explanation.-For the purposes of this clause, any name which is not the name of country, region or locality of that country shall also be considered as the geographical indication if it relates to a specific geographical area and is used upon or in relation to particular goods originating from that country, region or locality, as the case may be;

7. After the preliminary chapter of the GI Act that includes the title and definition sections, the second chapter deals with the registry and the conditions for registration. The following chapter deals with the procedure for and duration of registration and the fourth chapter deals with the effect of registration. Chapter IV has five sections: Section 20 is equivalent to Section 27 of the Trademarks Act and recognizes an action for infringement to be brought only on the basis of a registered geographical indication. Sub-section (2) keeps the world of passing-off beyond the pale of the statute. Sections 21 and 22 detail the rights conferred by registration under the Act and what would amount of infringement, respectively. Section 21 of the Act and Section 22(1) thereof are relevant for the present purpose:

21. Rights conferred by registration. -(1) Subject to the other provisions of this Act, the registration of a geographical indication shall, if valid, give,-

(a) to the registered proprietor of the geographical indication and the authorized user or users thereof to obtain relief in respect of infringement of the geographical indication in the manner provided by this Act;

(b) to the authorized user thereof the exclusive right to the use of the geographical indication in relation to the goods in respect of which the geographical indication is registered.

(2) The exclusive right to the use of a geographical indication given under section (b) of Sub-section (1) shall be subject to any condition and limitation to which the registration is subject.

(3) Where two or more persons are authorized users of geographical indications, which are identical with or nearly resemble each other, the exclusive right to the use of any of those geographical indications shall not (except so far as their respective rights are subject to any conditions or limitations entered on the register) be deemed to have been acquired by anyone of those persons as against any other of those persons merely by registration of the geographical indications, but each of those persons has otherwise the same rights as against other persons as he would have if he were the sole authorized user.

22. Infringement or registered geographical indications.- (1) A registered geographical indication is infringed by a person who, not being an authorized user thereof,-

(a) uses such geographical indication by any means in the designations or presentation of goods that indicates or suggests that such goods originate in a geographical area other than the true place of origin of such goods in a manner which misleads the persons as to the geographical origin of such goods; or

(b) uses any geographical indication in such manner which constitutes an act of unfair competition including passing off in respect of registered geographical indication.

Explanation 1. - For the purposes of this clause, "act of unfair competition" means any act of competition contrary to honest practices in industrial or commercial matters.

Explanation 2. - For the removal of doubts, it is hereby clarified that the following acts shall be deemed to be acts of unfair competition, namely:

(i) all acts of such a nature as to create confusion by any means whatsoever with the establishment, the goods or the industrial or commercial activities, of a competitor;

(ii) false allegations in the course of trade of such a nature as to discredit the establishment, the goods or the industrial or commercial activities, of a competition;

(iii) geographical indications, the use of which in the course of trade is liable to mislead the persons as to the nature, the manufacturing process, the characteristics, the suitability for their purpose, or the quantity, of the goods;

(c) uses another geographical indication to the goods which, although literally true as to the territory, region or locality in which the goods originate, falsely represents to the persons that the goods originate in the territory, region or locality in respect of which such registered geographical indication relates.

8. Section 23 of the GI Act, like Section 31 of the Trademarks Act, recognizes registration of a geographical indication to be prima facie evidence of its validity. Section 24 of the GI Act prohibits assignment, transmission, licensing, pledge, mortgage and the like of the rights in respect of the registered geographical indication. Such provision is a departure from the general right of assignment and transmission of a registered mark under the trademark law. In a sense, such bar may be a complete answer to one of the major planks of the Plaintiff's contention that the Defendant may use the word "Darjeeling" only upon licence in such regard being obtained from the Plaintiff.

9. Chapter v. of the GI Act contains two sections that prohibit the registration of a geographical indication as a trademark and accord protection to certain trademarks. Section 26(4) which falls in this chapter has been referred to in great detail by the parties and needs to be noticed in the context:

26. Protection to certain trademarks. - ...

(4) Notwithstanding anything contained in the Trademarks Act, 1999 or in this Act, no action in connection with the use or registration of a trademark shall be taken after the expiry of five years from the date on which such use or registration infringes any geographical indication registered under this Act has become known to the registered proprietor or authorized user registered in respect of such geographical indication under this Act or after the date of registration of the trademark under the said Trademarks Act subject to the condition that the trademark has been published under the provisions of the said Trademarks Act, 1999 or the rules made there under by that date, if such date is earlier than the date on which such infringement became known to such proprietor or authorized user and such geographical indication is not used or registered in bad faith.

10. The four other chapters of the GI Act cover rectification and correction of the register; appeals to the appellate board; offences and penalties; and, miscellaneous provisions. These chapters have not been placed with any great emphasis by the parties though Section 37 thereof, which is the first section in Chapter VIII that deals with offences, penalties and procedures, may be of some interest as it stresses on "goods" in its every limb in spelling out the meaning of applying geographical indications. Such provision may be juxtaposed against the corresponding Section 101 under the Trademarks Act that extends the deeming provision there under to both goods and services.

11. Apart from the Plaintiff's claim on the basis of its geographical indication, "Darjeeling", the Plaintiff also asserts its rights as the owner of the certification marks that confer special rights under Chapter IX of the Trademarks Act. Such stand-alone chapter of the Trademarks Act has 10 Sections. Section 69 precludes the applicability of certain statutory provisions relating to general trademarks to certification trademarks. The next five sections deal with the registrability of certification trademarks, applications for such purpose, the considerations relevant for registration, the procedure for opposition to an application for registration and the filing of regulations governing the use of a certification trademark. It is such regulations relating to the use of certification trademarks that set certification trademarks apart from regular trademarks. "Certification trademark" is defined in Section 2(1)(e) of the Act and contemplates the proprietor authorizing the use of the certification trademark by others in accordance with the regulations governing the use thereof which have to be statutorily filed with the trademarks registry. Certification trademarks apply to both goods and services as would be evident from its definition and from Sections 70 and 75 of the Act. Sections 2(1)(e), 70 and 75 of the Trademarks Act are relevant in the context:

2. Definitions and interpretation.- (1) In this Act, unless the context otherwise requires,- ...

(e) "certification trademark" 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 trademark, of that person;

70. Registration of certification trademarks.-A mark shall not be registrable as a certification trademark in the name of a person who carries on a trade in goods of the kind certified or a trade of the provision of services of the kind certified.

75. Infringement of certification trademarks.-The right conferred by Section 78 is infringed by any person who, not being the registered proprietor of the certification trademark or a person authorized by him in that behalf under the regulations filed under Section 74, using it in accordance therewith, uses in the course of trade, a mark, which is identical with, or deceptively similar to the certification trademark in relation to any goods or services in respect of which it is registered, and in such manner as to render the use of the mark likely to be taken as being a use as a trademark.

12. One needs must address the fundamental point of principle raised by the Defendant: that the rights of the Plaintiff in respect of its registered marks are only to protect goods and cannot be extended to any form of services. The first part of such contention is that in so far as the Plaintiff is the registered proprietor of a geographical indication and the GI Act is confined only to goods, the Plaintiff cannot have any cause of action against any service that may use the identical geographical indication. The second part of the submission on such score implies that if a certification mark is in respect of any goods, a complaint of infringement may be brought against any other goods or persons connected therewith; or if a certification trademark is in respect of any services, a complaint may be brought against any other service or persons connected therewith: but a complaint may not be brought by the registered proprietor of a certification trademark relating to goods against any service or persons connected therewith; and, the registered owner of a certification trademark relating to any service may not complain against any infringing goods or persons connected therewith. The point raised as to the cross-category impermissibility of a complaint, in case of both a geographical indication and a certification trademark, does not have to be conclusively answered at this stage. There is no application for rejection of the plaint on the ground that it does not disclose any cause of action. But since the point has been urged, a tentative view has

to be expressed for, if a cross-category objection cannot be maintained, there is no question of entering into the merits of the matter any further.

13. The objection as to the tenability of a cross-category complaint has to be dealt with differently for the two species of rights that the Plaintiff canvasses. In respect of certification trademarks, registration may be obtained both in respect of goods and services. Just as there could be products which are certified on the basis of their origin, material, mode of manufacture or other characteristics, types of services may also be certified on the basis of the quality, accuracy or other special features. It would then defy reason that an unauthorized use of a certification mark relating to any goods is used by a service provider without the registered proprietor of the certification mark having any right to complain. Say, cooks from Lucknow are permitted to use the "Lucknavi" certification mark as indicative of their services. If then, a packet of biriyani claims to be "Lucknavi", it cannot be said that the proprietor or authorized user of the certification service mark would have no cause of action against the impugned mark in respect of the goods complained of.

14. In the case of geographical indication, however, the matter may be slightly different. The focus of the GI Act is on goods; so much so, that in the chapter relating to offences, there does not appear to be a direct recourse against any service wrongfully appropriating a registered geographical indication. Yet, both in the deeming provision of Section 22(1)(b) of the GI Act and in recognizing other forms of passing-off in Section 20(2) thereof, the GI Act may not altogether preclude a cross-category complaint.

15. The matter at hand need not be assessed on the abstract underlying principle of the GI Act. Though the Plaintiff has referred to several authorities none is apposite in the context. The Plaintiff has relied on a judgment reported at MANU/WB/0105/1968 : AIR 1968 Cal 582 (Imperial Tobacco Co. of India Ltd v. Registrar of Trademarks) for the proposition that long before the GI Act, Section 9 of the Trademarks Act, 1958 prohibited the registration of a trademark with a geographical name. The Plaintiff has also placed a judgment reported at MANU/SC/2179/2008 : (2008) 13 SCC 30 (Entertainment Network (India) Ltd. v. Super Cassette Industries Ltd.) for the applicability of international conventions in Indian law. In dealing with the Defendant's contention that the claim may be barred under Section 26(4) of the GI Act, the Plaintiff has relied on the judgments reported

at MANU/SC/0646/1994 : (1994) 2 SCC 448 (Power Control Appliances v. Sumeet Machines (P) Ltd.) and MANU/WB/0084/1998 : AIR 1998 Cal 261 (Allergan Inc v. MilmentOftho Industries) to suggest that the acquiescence on the Plaintiff's part should have amounted to acceptance of the Defendant's use of "Darjeeling" in connection with its lounge for the bar under Section 26(4) of the GI Act to operate. The Plaintiff has also relied on a recent, yet unreported, decision of the Supreme Court rendered on March 3, 2011 in Civil Appeal Nos. 6314-15 of 2001 (T.V. Venugopal v. Ushodaya Enterprises Ltd.) for the submission recorded therein as to the dilution of a mark. The Plaintiff has placed McCarthy on Trademarks and Unfair Competition to emphasis on the dilution doctrine, particularly on dilution by blurring. As to the legal meaning of "good faith", the Plaintiff has relied on a judgment reported at MANU/SC/7146/2007 : (2007) 11 SCC 407 (Asstt. Commr, Anti-Evasion Commercial Taxes v. Amtek India Ltd.). The Plaintiff has cited the Scotch Whisky case reported MANU/MH/0052/1992 : AIR 1992 Bom 294 (The Scotch Whisky Association v. PravaraSahakarShakarKarkhana Ltd.) for the recognition therein that the assertion by the Defendant that its whisky was blended with Scotch amounted to misrepresentation or actionable wrong of passing-off. The Plaintiff has also relied on the decision to meet the objection on the ground of delay raised by the Defendant. Another judgment reported at MANU/MH/0033/1996 : AIR 1996 Bom 149 (Kirloskar Diesel Recon Pvt. Ltd. v. Kirloskar Proprietary Ltd.) has been carried by the Plaintiff for the principle that a case of dishonesty does not have to be made out while complaining of infringement. A judgment reported at 25 PTC 438 (Caterpillar Inc v. Mehtab Ahmed) has been placed on the doctrine of dilution. A judgment reported at MANU/SC/0763/2001 : (2002) 3 SCC 65 (Laxmikant v. Patel v. Chetanbhai Shah) has been cited for the general principles relating to the grant of interlocutory relief on the basis of likelihood of damage rather than actual damage. The Plaintiff has also referred to a judgment rendered by a Court in France where it restrained the use of the word "Darjeeling" together with a teapot in connection with stationery goods.

16. The Defendant applied for registration of "Darjeeling" lounge as a trademark and the Plaintiff claims that it came to know of such application upon it being advertised. The Plaintiff says that upon enquiries, it discovered that a part of the ground floor in the Defendant's hotel had been named "Darjeeling Lounge." The Plaintiff claims that the lounge is rather like a restaurant where food beverages are served. The Plaintiff

caused a letter to be issued to the Defendant in June, 2005 asserting the Plaintiff's exclusive rights in the geographical indication for the name "Darjeeling" and called upon the Defendant to refrain from using the mark. In July, 2005, the Plaintiff filed its opposition to the Defendant's application for registration. In September, 2005 the Defendant replied to the Plaintiff's letter of June, 2005 and refused to discontinue the name of its lounge. The Plaintiff claims that following its opposition, the Defendant abandoned its application for registration. In February, 2006 and May, 2008 the Plaintiff issued two further letters to the Defendant complaining of impropriety on the Defendant's part in using "Darjeeling" as part of the name for its lounge.

17. The Defendant contends that its lounge is named "Darjeeling" to give its hotel in Calcutta a flavour of Bengal. It says that its banquet hall at the hotel is called "Pala," another lounge is named "Bay of Bengal" and the lawn at its hotel is known as "Sundarbans." The Plaintiff is quick to point out, however, that the various portions of the Defendant's hotel do not bear references exclusively to this state or its history or geography as a Dublin bar or Dumpukht and Peshawari restaurants thereat would not otherwise have figured.

18. The Defendant says that its "Darjeeling Lounge" has been functional from the inception of its hotel in January, 2003 and prior to the GI Act coming into force on September 15, 2003. The Defendant asserts that its lounge is restricted to the guests at its high-end rooms and it is not open to any one walking in to the hotel since it can be accessed only by the room-cards of a certain category of rooms. The Defendant serves beverages and drinks of all types at such lounge and says that there is no possibility of any misrepresentation in the name of the lounge or in the services rendered thereat. The Defendant relies on Section 26(4) of the GI Act and says that since the Plaintiff claims to have been aware of the Defendant's "Darjeeling Lounge" in April, 2005 and the suit was lodged more than five years thereafter, the Defendant is entitled to the protection accorded by the relevant provision. The Plaintiff offers several answers to such ground of defence. The Plaintiff says that it has protested the Defendant's use of the word "Darjeeling" in connection with its lounge and nothing in its conduct would amount to acquiescence therein. The Plaintiff says that it has a continuing cause of action and Section 26(4) cannot be read to prescribe a period of limitation. In any event, the Plaintiff asserts that it has alleged the Defendant's use of "Darjeeling" in connection with the lounge to be mala fide and that has to be

assessed on evidence since the final limb of Section 26(4) of the GI Act protects a claimant's right to complain if the geographical indication is used by another in bad faith.

19. The Defendant's use of "Darjeeling" is not in connection with the designation or presentation of any goods. The first limb of Section 22(1) of the GI Act is not available to the Plaintiff. The second limb conceives of the use of any geographical indication which would constitute an act of unfair competition including passing-off. The expression "unfair competition including passing off" would not, by reason of the explanations in the relevant Sub-section, imply that every kind of passing-off would amount to unfair competition. The expression has to be understood to mean that certain kinds of passing-off, not all, would amount to unfair competition as defined. The phrase used is "unfair competition" and not "unfair practice" or "unfair trade practice," though it seems to have been borrowed from the TRIPS agreement and not uniquely coined. If every kind of passing-off amounted to unfair competition, Section 20(2) of the GI Act would be otiose.

20. Passing-off as in Section 20(2) of the GI Act has to be seen in the light of what it implies in trademark law. As to whether any goods or services are passed off as some other goods or services would depend on a variety of factors ranging from the nature of the marks, their resemblance, the nature of the goods and services, the similarity of the character of the goods and services, the mode of accessing the goods or services and other surrounding circumstances.

21. The word "Darjeeling" - as precious to tea as it may be as champagne to sparkling wines of that province in France - cannot be exclusively claimed by the Plaintiff by virtue of its registration as a geographical indication or as a certification trademark. Even for a case of passing-off, the use of "Darjeeling" by a person other than the Plaintiff can be complained of if the word or the geographical indication has any nexus with the product with which it is exclusively associated upon the registration. It is not necessary to consider whether a "Darjeeling Tea Stall" selling only hot cups of tea can entitle the Plaintiff to carry a complaint in respect thereof or a "Darjeeling Tea House" selling all varieties of packaged tea can be said to be in derogation of the Plaintiff's rights. The Defendant's "Darjeeling Lounge" is an exclusive area within the confines of its hotel which is accessible only to its high-end customers. The lounge is a place where such customers and accompanying visitors

may frequent, and even sip Darjeeling tea or any other beverage or drink, but there is scarcely any likelihood of deception or confusion in the lounge being named "Darjeeling" for the Plaintiff to be granted to any order that it seeks.

22. As to the case of dilution, the name "Darjeeling" has been extensively used in trading and commercial circles for decades before the GI Act was enacted. In a case of dilution by blurring, it is the uniqueness of a mark which is protected even in a case where there is no likelihood of confusion. But the word "Darjeeling" has been and continues to be so widely used as a business name or for like purpose for so long that the Plaintiff's recent registration would, prima facie, not entitle it to enjoy the kind of exclusivity that it asserts.

23. GA No. 3137 of 2010 is dismissed without any order as to costs.

24. Urgent certified photocopies of this judgment, if applied for, be supplied to the parties subject to compliance with all requisite formalities.

16.8 Conclusion

The Act provides an extra remedy of infringement for registered geographical indications apart from the common law remedy for passing off. The Act further confers another exclusive rights upon the authorized users to apply the registered geographical indication to indicate the geographic origin of their products. Though protection is allowed for two or more authorized users of registered geographical indications by providing for co-equal rights. It makes act of misleading application of a registered GI, acts of unfair competition, and false representations of GI as infringement. It designates District Court as the court having jurisdiction from the perspective of the plaintiff. Lastly it specifies the remedies available in a suit for infringement or passing off as including injunction, damages, and account of profit and delivery of goods. The court has allowed cross category claims which was an unsettled issue had finally been put to rest by holding that they are permissible under the Act.

16.9 Self-Assessment Question

1. What are the rights conferred by registration of a geographical indication?
2. Enumerate the advantage of registration of a geographical indication.

3. What is the difference between the provision under the Act relating to the jurisdiction of the District Court as compared to the provisions in the Civil Procedure Code, 1908?
4. Enumerate the acts that amount to infringement under the Act
5. What are the reliefs provided under the Act in a suit for infringement or passing off?

16.10 Further Readings

1. Avtar Singh, Intellectual Property Rights, Eastern Book Company.
2. P. Narayanan, Trademarks and Passing Off, Eastern Law House.

Unit 17

Law Relating to offences and penalties under the Geographical Indications Act

Objectives

The present unit intends to discuss the provision relating to offences and penalties under the Geographical Indications of Goods (Registration and Protection) Act, 1999. The unit would discuss the various offences and penalties provided for under the Act and their ingredients. Furthermore, it would elaborate upon the procedure as prescribed under the law for cognizance, search, seizure and forfeiture. Lastly it would also discuss the defences available to the defendant.

Structure

- 17.1 Introduction
- 17.2 Brief Scheme of Chapter VIII of the Geographical Indication of Goods (Registration and Protection) Act, 1999.
- 17.3 Categories of the Offences
- 17.4 Offences and Penalties
- 17.5 Procedural Aspects
- 17.6 Other Provisions Relating to Offences and Penalties
- 17.7 Conclusion
- 17.8 Summary and Self-assessment Questions.
- 17.9 Suggested Readings.

17.1 Introduction

The provisions relating to the criminal offences, penalties and procedure are contained in Chapter VIII of the Geographical Indication of Goods (Registration and Protection) Act, 1999 from Section 37 to 54. The provisions are more or less akin to the provisions contained in the Trademarks Act, 1999. It provides for the enhancement of penalty keeping in view one of the objectives of the new act so to prevent the use of fraudulent indications. The law talks about two main category of offences, one which are primarily aimed against counterfeiting activities and second, which covers other kinds of acts which may amount to a criminal offence, for ex., making false statements about the registered status of geographical indication. The provisions contained in Chapter VIII are equally applicable to both registered as well as unregistered geographical indication. Let us look at the scheme of the offences and penalties in brief before starting the discussion upon particular offences and penalties.

17.2 Brief Scheme of Chapter VIII of the Geographical Indications of Goods (Registration and Protection) Act, 1999

Chapter VIII of the act provides for the provisions relating to offences, penalties and procedure. It consists of 18 sections from Section 37 to Section 54. Section 37 gives us the meaning of applying geographical indications. Section 38 speaks about the circumstances which will tantamount to falsifying and falsely applying a geographical indication. Section 39 provides for the penalty of a maximum of three years along with fine for applying false geographical indication. It provides that the accused is not guilty if he proves that the act in question was done without an intent to defraud. Section 40 provides for penalty for selling goods or providing services to which false geographical indication is applied to a maximum term of three years. However, it provides for the defences of reasonable belief and/ or that he has on demand by or on behalf of the prosecutor, he gave all the information in his power with respect to the person from whom he obtained such goods or things and/or that the accused has acted innocently. Section 41 mandates enhanced penalty in case of repeat offenders. Section 42 prescribes penalty for falsely representing

by any words or symbols as being registered geographical indication. Section 43 makes it an offence to improperly describe one's place of business as connected with the Geographical Indication Registry. Section 44 makes it an offence for falsifying the register. Section 45 provide for the circumstances wherein offences provided under Section 39, 40 and 41, would not be deemed to be an offence. The procedure for the forfeiture of the infringing goods has been provided in Section 46. Section 47 exempts a person employed in the ordinary course of employment under certain circumstances for an offence alleged under Section 39. Section 48 prescribes the procedure wherein the accused has pleaded invalidity of registration of the geographical indication in question. Section 49 provides for the circumstances where the offence is alleged to have been committed by a company. It also provides for the circumstances wherein an officer of the company can be punished for the offence of the company. Section 50 lays down the process for cognizance of certain offences. It also provides for the powers of police for search and seizure. Section 51 provides for the costs. Section 52 provides the limitation period within which the prosecution should commence. Section 53 prescribes that an officer cannot be compelled to disclose the source from where he got the information about the commission of the offence. Section 54 provides punishment for an abettor.

17.3 Categories of the Offences

The category of offences provided under Chapter VIII are as following:

1. Falsifying a geographical indication.
2. Falsely applying a geographical indication.
3. Making or possessing instruments for falsifying geographical indication.
4. Applying false geographical indication.
5. Applying false indication of country of origin.
6. Tampering with an indication of origin already applied to goods.
7. Causing any of the things mentioned in point 1 to 6 to be done.

8. Selling goods or possessing or exposing for sale of goods falsely indicated.
9. Falsely representing a geographical indication as registered.
11. Improperly describing a place of business as connected with the Geographical Indications Registry.
12. Falsification of entries in the Register.

17.4 Offences and Penalties

Before starting about the offences and penalties meaning of applying geographical indications, falsifying and falsely applying geographical indication shall be understood. Section 37 provides for the meaning of applying trademark and trade descriptions. It provides that a person is deemed to apply a trademark or mark or a trade description to goods or services who does any act amongst following:--

- (a) Applies it to the goods themselves;
- (b) Applies it to any package in or with which the goods are sold, or exposed for sale, or had in possession for sale or for any purpose of trade or manufacture;
- (c) Places, encloses or annexes any goods which are sold, or exposed for sale, or had in possession for sale or for any other purpose of trade or manufacture, in or with any package or other thing to which a geographical indication has been applied;
- (d) Uses a geographical indication in any manner reasonably likely to lead to the belief that the goods or services in connection with which it is used are designated or described by that geographical indication;
- (e) In relation to the goods or services uses a geographical indication in any sign, advertisement, invoice, catalogue, business letter, business paper, price list or other commercial document and goods are delivered or services are rendered to a person in pursuance of a request or order made by reference to the geographical indication as so used.

Further under Sub-section (2) a geographical indication shall be deemed to be applied to goods whether it is woven in, impressed on, or otherwise worked into, or annexed or affixed to, the goods or to any package or other thing.

Comments on Section 37

A bare reading of Section 37 makes it clear that geographical indication should have been used by the accused in the course of business. This limitation is necessary to protect the consumers who have purchased counterfeit goods from committing an offence in keeping the goods at their homes. But by implication it does not protect a consumer who is privately selling a counterfeit item which they have brought. Proof of sale is not required, it is sufficient that the accused had in his possession incriminating goods for the purpose of trade. Physical possession is also not necessary. The incriminating goods might have been with other person, for cold storage purposes from he had a right to recover on demand. A retailer or a wholesaler who had not connived in a criminal act is not liable. By analogy commission agents and other intermediaries cannot be convicted. Clause (e) of the mentioned Section 37 includes business papers as well which is a curious term. The legislative intention here is to cover all kinds of documents which might bear a geographical indication, for example, invoices, price lists and so on. It is not necessary for the consumers to look at them like internal papers like an inventory list.

Section 38 of the Act provides for the circumstances which amount to falsifying and falsely applying geographical indications. Those are as following:

- (1) A person shall be deemed to falsify a geographical indication who, either-
 - (a) Without the assent of the proprietor of the geographical indication makes that geographical indication or a deceptively similar geographical indication; or
 - (b) Falsifies any genuine geographical indication, whether by alteration, addition, effacement or otherwise.

(2) A person shall be deemed to falsely apply to goods or services a geographical indication who, without the assent of the proprietor of the geographical indication-

(a) Applies such geographical indication or a deceptively similar geographical indication to goods or services or any package containing goods;

(b) Uses any package bearing a geographical indication which is identical or deceptively similar to the geographical indication of such proprietor, for the purpose of packing, filling or wrapping therein any goods other than the genuine goods of the proprietor of the geographical indication.

(3) Any geographical indication falsified as mentioned in sub-section (1) or falsely applied as mentioned in sub-section (2), is in this Act referred to as a false geographical indication.

(4) In any prosecution for falsely applying a geographical indication or falsely applying a geographical indication to goods or services, the burden of proving the assent of the proprietor shall lie on the accused.

Comments on Section 38

Section 38 makes it clear that the marks need not be identical it may be merely deceptively similar. This extends the scope of the law even beyond counterfeiting. Such a requirement means that the counterfeiters cannot avoid the penalty by making a trivial change in the indication. The standard to assess whether the indications are deceptively similar or not under Section 38 is same as under other provisions of the Act. The test of deceptive similarity is same as that in civil actions. It is not necessary that the mark shall actually defraud anyone. It will be considered to be deceptively similar wherein the use was a reasonably calculated to cause deception or confusion among the public concerned. The use must be reasonably calculated to cause deception or confusion among the public concerned. The proper question is to consider whether an ordinary unwary purchaser would be deceived. *Ashwini Kumar v. Emperor* AIR 1930 Cal 72 (DB) (Criminal Appeal) (Conviction upheld). It is not necessary to show evidence of actual confusion or deception examination

of witnesses will furnish direct evidence to prove the alleged deceptive similarity.

There is a requirement that the act should have been done without the consent of the proprietor of the geographical indication in question. In an ordinary circumstance, this is a positive element of the offence the onus of which is upon the prosecution to prove, rather than a defence on which the defendant bears the onus. However, by virtue of section 38 (4) the burden of proving the assent shall be on the accused.

Specific Offences under the Act

1. Section 39 provides for the penalty for applying false geographical indications -

Any person who, falsifies any geographical indication; or falsely applies to goods or services any geographical indication; or makes, disposes of, or has in his possession, any die, block, machine, plate or other instrument for the purpose of falsifying or of being used for falsifying, a geographical indication; or, applies any false trade description to goods or services; or applies to any goods to which an indication of the country or place in which they were made or produced or the name and address of the manufacturer or person for whom the goods are manufactured is required to be applied under Section 71, a false indication of such country, place, name or address; or tampers with, alters or effaces an indication of origin which has been applied to any goods to which it is required to be applied under Section 139; or causes any of the things above mentioned in this Section to be done, shall, unless he proves that he acted without intent to defraud, be punishable with imprisonment for a term which shall not be less than six months or with fine less than fifty thousand rupees.

Comments on Section 39

- *Without Intent to defraud*

The phrase without intent to defraud implies that in order to constitute an offence under the Act mensrea is not required on the part of the offender. However, for an offence under Section 103, the offender can set up the defence

that his act was without any intent to defraud. In *Starvey v. Chilworth Mathew*, J. observed, "The words 'without intent to defraud' apply to cases where a person uses a particular geographical indication without any intent in so doing to induce a buyer to accept goods which might otherwise be rejected."

- *Burden of Proof regarding without intent to defraud*

The burden of proving that the accused has the assent of the proprietor or that he has acted without an intent to defraud is upon the accused. The quantum of proof required from him is not beyond reasonable doubt. Even when he shows probability of circumstances which warrants a decision in his favour it would be sufficient.

- *Exemption of certain persons employed in ordinary course of business*

Section 47 provides for exemption of certain persons employed in ordinary course of business. It states that when a person accused of an offence under Section 39 proves-

(a) that in the ordinary course of his business he is employed on behalf of other person to apply geographical indications, or as the case may be, to make dies, blocks, machines, plates, or other instruments for making, or being used in making, trading marks; and

(b) that in the case which is the subject of the charge he was so employed and was not interested in the goods or other thing by way of profit or commission dependent on the sale of such goods or providing of services, as the case may be; and

(c) that, having taken all reasonable precautions against committing the offence charged, he had, at the time of the commission of the alleged offence, no reason to suspect the genuineness of the geographical indication; and

(d) that on demand made by or on behalf of the prosecutor, he gave all the information in his power with respect to the person on whose behalf the geographical indication was applied,

he shall be acquitted.

2. Section 40 provides penalty for selling goods or providing services to which false geographical indication or false trade description is applied.

It provides that any person who sells, lets for hire or exposes for sale, goods or things, or provides or hires services, to which any false geographical indication is applied or which, being required under Section 71 to have applied on them an indication of the country or place in which they were made or produced or the name and address of the manufacture, or person for whom the goods are manufactured or services provided, as the case may be, are without the indication so required. Be punishable 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. The proviso states that the court may, for adequate and special reasons to be mentioned in the judgment, impose a sentence for a term less than six months or a fine of less than fifty thousand rupees.

It further states the defences that are available to the accused, that is, if the accused proves that his case falls within understated circumstances he would not be held guilty. Those are:

- (a) That, having taken all reasonable precautions against committing an offence,
- (b) He had at the time of commission of the alleged offence no reason to suspect the genuineness of the geographical indication or trade description or that any offence had been committed in respect of the goods or services; or
- (c) That, on demand by or on the behalf of the prosecutor, he gave all the information in his power with respect to the person from whom he obtained such goods or things or services; or
- (d) That otherwise he had acted innocently.

Comments on Section 39

- *Defence of Reasonable Belief*

Section 39 provides for the defence of reasonable belief of non-infringement. The House of Lords in *Johnstone* affirmed that the onus of proof is on the person charged. The test is two-fold, one the defendant must have in fact believed that his act did not or would not infringe, which is a subjective test. Secondly, the defendant must have had reasonable grounds for that belief.

- *Defence of Acted Innocently*

Acted innocently means that the person has acted inadvertently or under some misapprehension or under a mistake of fact. If the accused acted bona fide and with all reasonable precaution, the defence would fall under cl. (a) and (b), but not under cl. (c), otherwise cl. (a) and (b) would become surplusage and unnecessary as any person who could satisfy the requirements of these two clauses must have been acting in a bona fide with reasonable precautions against committing an offence.

3. Section 41 provides for enhanced penalty on second or subsequent conviction. It states that whoever having already been convicted of an offence under Section 103 or Section 104 is again convicted of any such offence shall be punishable for the second and for every subsequent offence, with imprisonment for a term 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. The proviso states that the court may, for adequate and special reasons to be mentioned in the judgment, impose a sentence for a term less than one year or a fine of less than one lakh rupees. The purpose of enhanced penalty is to produce a deterrent impact on repeat offenders.

4. Section 42 provides penalty for falsely representing a geographical indication as registered

It states that no person shall make any representation with respect to an indication, not being a registered geographical indication, to the effect that it is a registered geographical indication; or with respect to a part of a registered geographical indication, not being a part separately registered as a geographical indication, to the effect that it is separately registered as a geographical indication; or to the effect that a registered geographical indication is registered

in respect of the goods or in respect of which it is not in fact registered; or to the effect that registration of a geographical indication gives an exclusive right to the use thereof in any circumstances in which, having regard to limitation entered on the register, the registration does not in fact give that right. If any person contravenes any of the provisions of sub-section (1), he shall be punishable with imprisonment for a term which may extend to three years, or with fine, or both.

The registration of mark is only effected in relation to particular goods and service and may be subject to conditions and limitations entered on the register. Any representation which does not reflect the position in the register would be a false representation. There is a presumption that the word registered or any other word or symbol for example, regd., R.G.I., imports a reference to the registration. Notably, falsely representing a geographical indication as registered might affect a claim for passing off based on the indication in question.

6. Section 43 provides penalty for improperly describing a place of business as connected with the Geographical Indication Registry. If any person uses on his place of business, or on any document issued by him, or otherwise, words which would reasonably lead to the belief that his place of business is, or is officially connected with, the Geographical indications Office, he shall be punishable with imprisonment for a term which may extend to two years, or with fine, or with both.

7. Section 44 provides penalty for falsification of entries in the Register- If any person makes, or causes to be made, a false entry in the register, or writing falsely purporting to be a copy of an entry in the register, or produces or tenders or causes to be produced or tendered, in evidence any such writing, knowing the entry or writing to be false, he shall be punishable with imprisonment for a term which may extend to two years, or with fine, or with both.

Comments on Section 44

It is an offence to meddle with the Register itself, and as far as its first part is concerned it is unlikely to have much practical importance. The second part would cover, for example, making a forged certificate for registration.

17.5 Procedural Aspects

1. Forfeiture of goods

Forfeiture of goods have been provided for under Section 46. Where a person is convicted of an offence under Section 39-41 or is acquitted of an offence under Section 39-40 on proof that he acted without intent to defraud, or under Section 40 on proof of the matter specified in Clause (a), clause (b) or clause (c) of that section, the court convicting or acquitting him direct the forfeiture to Government of all goods and things by means of, or in relation to, which the offence has been committed, or but for such proof as aforesaid would have been committed.

Forfeiture upon conviction

In event of a forfeiture when a conviction is directed and an appeal lies against the conviction, an appeal shall lie against the forfeiture also. When a forfeiture is directed on a conviction, the court, before whom the person is convicted, may order any forfeited articles to be destroyed or otherwise disposed of as the court thinks fit.

Forfeiture upon acquittal

When a forfeiture is directed upon acquittal and the goods or things to which the direction relates are of value exceeding fifty rupees, an appeal against the forfeiture may be preferred, within thirty days from the date of the direction, to the court to which in applicable cases appeals lie from sentences of the court which directed the forfeiture.

2. Section 48 Procedure where invalidity of registration is pleaded by the accused

Section 48 provides the procedure where the offence is in relation to a registered geographical indication and the accused pleads that the registration

of the geographical indication is invalid. If the court is justified that such defence is *prima facie* tenable, it shall not proceed with the charge but shall adjourn the proceeding for three months from the date on which the plea of the accused is recorded to enable the accused to file an application before the Appellate Board under this Act, for the rectification of the register on the ground that the registration is invalid. If the accused proves to the court that he has made such application within the time so limited or within such further time as the court may for sufficient cause allow, the further proceedings in the prosecution shall stand stayed till the disposal of such application for rectification. If within a period of three months or within such extended time as may be allowed by the court the accused fails to apply to the Appellate Board for rectification of the Register, the court shall proceed with the case as if the registration was valid.

Where before the institution of a complaint of an offence referred to in subsection (1), any application for the rectification of the register concerning the geographical indication in question on the ground of invalidity of the registration thereof has already been properly made to and is pending before the tribunal, the court shall stay the further proceedings in the prosecution pending the disposal of the application aforesaid and shall determine the charge against the accused in conformity with the result of the application for rectification in so far as the complainant relies upon the registration of his indication.

3. Cognizance of certain offences and the powers of police officer for search and seizure

Section 50 states that no court shall take cognizance of an offence under Section 42, 43, 44 except on a complaint in writing made by the Registrar. The offences under section 39, 40 and 41 are cognizable. No court inferior to that of a Metropolitan Magistrate or Judicial Magistrate of the First Class shall try an offence under this Act. Any police officer not below the rank of Deputy Superintendent of police or equivalent, may, if he is satisfied that any of the offences under Section 39, 40 and 41, is being, or is likely to be, committed, search and seize without warrant the goods, die, block, machine, plate, other instruments or things involved in committing the offence, wherever found, and

all the articles so seized shall, as soon as practicable, be produced before a Judicial Magistrate of the First Class or Metropolitan Magistrate as the case may be: Provided that the police officer, before making any search and seizure, shall obtain the opinion of the Registrar on facts involved in the offence relating to geographical indication and shall abide by the opinion so obtained. Any person having an interest in any article seized under sub-section (4), may, within fifteen days of such seizure, make an application to the Judicial Magistrate of the First Class or Metropolitan Magistrate, as the case may be, for such articles being restored to him and the Magistrate, after hearing the applicant and the prosecution, shall make an order on the application as he may deem fit.

17.6 Other Provisions

1. No offence in certain cases

Under Section 45 the provisions of Section 39, 40 and 41 shall, in relation to a registered geographical indication shall be deemed to be an offence under the aforesaid sections, if-

(a) The alleged offence relates to a registered geographical indication and the act or omission is permitted under this Act; or

(b) The alleged offence relates to a registered or an unregistered geographical indication and the act or omission is permitted under any other law for the time being in force.

Comment on Section 45

- ***Onus/Burden of Proof***

The onus of establishing criminal liability is upon the prosecution. However, when the accused relies upon a defence like he acted without an intent to defraud, or he acted innocently, or sets up a defence under Section 45 the burden shifts upon him to establish the same.

2. Offence by Companies

Section 49 provides that if the person committing an offence under this Act is a company, the company as well as every person in charge of, and responsible to, the company for the conduct of the business at the time of the commission of the offence shall be deemed guilty of the offence and shall be liable to be proceeded against and punished accordingly.

It is further provided that nothing contained in this sub-section shall render any such person liable to any punishment if he proves that the offence was committed without his knowledge or that he has exercised all due diligence to prevent the commission of such offence.

Further notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or that the commission of the offence is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed guilty of that offence and shall be liable to be proceeded against and shall be punished accordingly.

For the purposes of this Section-

(a) "Company" means any body corporate and includes a firm or other association of individuals; and

(b) "director", in relation to a firm, means a partner in the firm.

3. Costs of defence or prosecution

Under Section 51 in event of any prosecution under this Act, the court may order such costs to be paid by the accused to the complainant, or by the complainant to the accused, as the court deems reasonable having regard to all the circumstances of the case and the conduct of the parties and the costs so awarded shall be recoverable as if they were a fine.

5. Limitation of prosecution

Under Section 52 the prosecution should commence before the expiry of three years from the commission of the offence or within two years from the

commission of the offence or within two years from the discovery thereof by the prosecutor whichever is earlier.

6. Information as to commission of offence

As a principle any person can provide an information as to the commission of offence. Section 53 states that an officer of the Government whose duty is to take part in the enforcement of the provisions of this Chapter shall not be compelled in any court to say whence he got any information as to the commission of any offence against this Act.

7. Punishment of Abetment in India or acts done outside India-

An act of abetment also invites penalty against the abettor. Under Section 54, if any person, being within India, of any act which, if committed in India, would, under this Act, be an offence, he may be tried for such abetment in any place in India in which he may be found, and be punished therefor with the punishment to which he would be liable if he had himself committed in that place the act which he abetted.

17.7 Conclusion

The Geographical Indications of Goods (Registration and Protection) Act, 1999 in its Chapter VIII provides for offences and penalties under the Act. It also lays down procedural aspects relating to the same. The offences broadly are of two kinds, offence against someone else's geographical indications and offence against the office and registration process and notice of registration. The act prescribes penalty for applying false geographical indication, for selling goods or providing services bearing false geographical indications, for falsely representing an indication as registered, for improperly describing a place of business as connected with the Geographical Indications Registry, for falsification of entries in the register. It also provides for enhanced penalty against repeat offenders. It also prescribes the procedure of taking cognizance of offences and forfeiture. The law exempts certain persons from liability and also exempts under certain conditions employees in ordinary course of business under specified circumstances.

17.8 Summary

Summary

It is an offence to:

- Falsifying a trademark.
- Falsely applying a trademark.
- Making or possessing instruments for falsifying trademark.
- Applying false indication of country of origin
- Tampering with an indication of origin already applied to goods
- Causing any of the things mentioned in point 1 to 6 to be done
- Selling goods or possessing or exposing for sale of goods falsely marked
- Removing piece goods etc. contrary to Section 81
- Falsely representing a trademark as registered
- Improperly describing a place of business as connected with the Geographical Indication Registry.
- Falsification of entries in the Register
 - Forfeiture of goods can also happen in event of an offence committed under this chapter and they might be destroyed as well.
 - An abettor is also equally guilty as an offender under the Act.

Self-assessment Questions

Self-Assessment Questions:

- 1, Write a note on various offences mentioned in under the Geographical Indication Act, 1999.

2. What are the provisions relating to cognizance of offences and forfeiture of goods?
3. Examine the liability of companies under the geographical Indications Act, 1999.

17.9 Further Readings

1. <http://www.ipindia.nic.in/>
2. P. Narayanan, Trademarks and Passing off, Eastern Law House.
5. Avtar Singh, Intellectual Property Rights, Eastern Book Company.
6. P. Narayanan, Trademarks and Passing Off, Eastern Law House.