

ENFORCEMENT OF TRADE MARKS

The Trade Marks Act 1999 came into effect on September 15, 2003, making substantial amendments to enforcement criteria, procedures and practices. This Newsletter will discuss some such amendments. These would be useful in developing an enforcement strategy in India.

I. EXTENSION OF THE TERM INFRINGEMENT

Under the old Act, infringement was strictly defined. The infringing goods had to be the same as the goods for which the trade mark was registered. The offending trade mark itself had to be identical or deceptively or confusingly similar.

Under the new Act, it is possible to establish infringement under the following additional circumstances :

Likelihood of association [S.29(2)]

Where there is (a) identity of trade marks and similarity of goods/services, or (b) similarity of trade marks and identity or similarity of goods /services, or (c) identity of trade marks and identity of goods/services, and there is either a likelihood of confusion on the part of the public, or the third party use is likely to have an association with the registered trade mark, it would constitute infringement. Where a case falls under criteria (c), there is mandate for the court to presume likelihood of confusion.

Dilution / Disparagement [S.29(4)]

Where there is identity or similarity of trade marks, and dissimilarity of goods / services, and the registered trade mark has reputation in India, and the use of the third party mark without due cause takes unfair advantage of or is detrimental to the distinctive character or repute of the registered trade mark, it constitutes infringement.

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INDIA

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**NEWSLETTER
FEBRUARY 19, 2004**

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Trade name or business name [S. 29(5)]

Where the registered trade mark is used by a third party as his trade name or part of his trade name, or name of his business concern or part of such a name, and where the business concern deals in the goods/services in respect of which the mark is registered, it constitutes infringement.

The term “use” expanded [S. 29(6), (7) & (8)]

Third party use of the trade mark on goods or the packaging and on business papers or in advertising, could also constitute infringement. The printer of such materials can also be held liable. Offering or exposing goods for sale, putting them on the market, stocking the goods or offering or supplying services, all constitute infringement.

Comparative advertising [S. 29(8)]

Advertisements of a registered trade mark by third parties, which (a) take unfair advantage of the registered trade mark and are contrary to honest practices in industrial or commercial matter, or (b) are detrimental to the distinctive character of the registered trade mark, or (c) are against the reputation of the registered trade mark, also constitute infringement.

Spoken use [S.29(9)]

Where the distinctive element of a registered trade mark consists of, or includes words, even spoken use of such words may constitute infringement.

II. RELIEF

The relief that a court can grant for infringement and passing off, have also been enlarged under the new Act. The relief now available are :

- (i) injunction ; and
- (ii) damages or accounts for profits ; and
- (iii) delivery up of the infringing labels and marks for destruction or erasure ;

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In addition to the above, the Act now empowers courts to grant *ex-parte* orders of :

- (i) injunction ;
- (ii) discovery of documents ;
- (iii) preserving of infringing goods, documents or other evidence related to the subject matter of the suit ;
- (iv) restraining the defendant from disposing off or dealing with his assets in a manner which may adversely affect the trade mark owner's right to recover damages, costs or other pecuniary remedies ;

III. SELECTION OF JURISDICTION

India at present has 28 States. Each State has its own High Court, the highest court in the State. Only the High Courts in 6 States have original jurisdiction where new actions can be filed. These are the High Courts of Delhi, Bombay, Madras, Calcutta, Simla and Srinagar. In all these High Courts trade mark suits can be initiated. In all other States suit can be initiated only in the District Courts.

Under the provisions of the Code of Civil Procedure, suits are required to be filed in a Court where either (i) the Defendant resides or carries on business or personally works for gain, or (ii) i.e. where the cause of action, wholly or in part, arises i.e. where the infringement has taken place.

The new Act, in an obvious effort to assist the brand owner, make a departure from the above principals and allows suits to be filed in a court where the Plaintiff (rights owner or the licensee) resides or carries on business or personally works for gain. This provision has been available to copyright owners for a number of years, but has only now been made available to brand owners as well.

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By the use of this provision a brand owner can now conduct all its enforcement actions from one court in India of its convenience, should it choose to do so.

The Delhi High Court gets the maximum exposure to trade mark litigation and is normally the preferred court for most brand owners. The High Courts of Bombay, Madras and Calcutta are the other courts which are also exposed to trade mark litigation fairly extensively.

IV CRIMINAL ENFORCEMENT

Trade mark violations have now been made cognizable offences. Any police officer above the rank of the Deputy Superintendent of police, if he is satisfied that a trade mark offence has been, is being, or is likely to be, committed, has the powers to search and seize without warrant. He is empowered to seize not just the offending goods but also the dies, blocks, machine, plate, and other instruments or things involved in committing the offence.

The concerned police officer is however required to, before making the search and seizure, obtain the opinion of the Registrar of Trade Marks on the facts involved in the offence.

V. CONCLUSION

The Indian legal system is plagued by delays. Suits can take upto ten years or more to conclusion. Most trade mark litigation is therefore dependent upon the grant or non grant of interlocutory or temporary restraining orders.

A carefully planned strategy, which, in particular must entail a careful selection of the jurisdiction, can assist a brand owner to run an efficient and cost affective enforcement strategy in India.

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