

## **Salient Features of The Trade Marks Act, 1999**

- ✓ The new Act is called the Trade Marks Act, 1999 and is governed by the Trade Marks Rules, 2002. The Act and the Rules are **effective September 15, 2003**.
- ✓ The definition of “trade mark” has been expanded to include services as well, making **service marks registrable in India**. Classes 35 to 42 have been included in the Fourth Schedule to the Rules which read as under :
  35. Advertising, business management, business administration, office functions.
  36. Insurance, financial affairs; monetary affairs; real estate affairs.
  37. Building construction; repair; installation of services.
  38. Telecommunications.
  39. Transport; packaging and storage of goods; travel arrangement.
  40. Treatment of materials.
  41. Education; providing of training, entertainment; sporting and cultural activities.
  42. Providing of food and drink; temporary accommodation; medical, hygienic and beauty care; veterinary and agricultural services, legal services, scientific and industrial research, computer programming; services that cannot be classified in other classes.
- ✓ Shape of goods, packaging and combination of colors are now included in the definition of a trade mark.
- ✓ It is now **possible to file multiple classification applications**.
- ✓ The **period of registration** has been enhanced from seven years to **ten years**.
- ✓ The Register is no longer divided into Part A and Part B. A single Register of Trade Marks shall be maintained and all Part B registrations under the previous Act shall be included in this single Register.

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**TRADE MARKS ACT 1999**  
**Effective September 15,**  
**2003**

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- ✓ The statute now **recognizes “well-known trade marks”** in relation to goods and services. To qualify, the mark should be well-known to a substantial segment of the public which uses such goods or receives such services.
  - Use in India is a not a pre-requisite to establish that a trade mark is well-known in India.
  - Knowledge or recognition of the trade mark in the relevant section of the public in India including knowledge obtained as a result of promotion of the trade mark, is sufficient to qualify a mark to be well-known. Promotion includes advertisements, publicity and presentation at fairs or exhibitions.
  - Successful enforcement of a mark or pronouncement of courts on the notoriety of the mark is another criteria to establish a mark as a well-known trade mark.
  - Where the trade mark is determined to be well-known in at least one relevant section of the public in India by any court or the Registrar, the trade mark shall be considered to be well-known under the Act and entitled to all the benefits of a well-known trade mark.
  
- ✓ The statute provides **enhanced protection to well-known trade marks**:
  - Third party applications may be refused registration even if they are in relation to a mark similar (as opposed to deceptively or confusingly similar) to a well-known mark.
  - Third party applications may be refused registration even if they are in relation to goods or services which are not similar to a prior registered well-known mark.
  - Any mark which without due cause takes unfair advantage of or is detrimental to the distinctive character or reputation of a well-known trade mark may be refused registration of the mark.

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- Use of an identical registered well-known trade mark even in relation to dissimilar goods or services could amount to infringement of a registered well-known trade mark under Section 29 so long as the third party mark without due cause takes unfair advantage of or is detrimental to the distinctive character or reputation of the registered well-known trade mark.
- ✓ The statute otherwise also **expands protection of trade marks in general:**
  - Bad faith in adoption constitutes a ground of rejection of a third party application.
  - Likelihood of association with an earlier trade mark (as opposed to the previous test of likelihood of confusion or deception) itself may be sufficient to deny registration to a third party or constitute infringement of a trade mark.
  - There is a statutory presumption of likelihood of confusion on the part of the public if a third party adopts a mark identical to a previously registered trade mark in respect of identical goods for which the previously trade mark is registered.
  - Use of registered trade mark on business paper or in advertising may also constitute infringement. Likewise, use of a registered trade mark as a trade name or name of a business concern dealing in goods or services in respect of which the trade mark is registered, also amounts to infringement.
  - Infringement of registered trade mark may also occur by spoken use of the work mark.
  - Disparaging advertising also constitutes infringement of a registered trade mark. Advertisements which are objectionable are:
    - Advertisements which take unfair advantage and are contrary to honest practices in industrial or commercial matters;
    - Advertisements which are detrimental to the distinctive character of a registered trade mark ;
    - Advertisements which are against the reputation of a registered trade mark.

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- ✓ As regards enforcement of rights, the Act itself **empowers courts to pass ex- parte injunction orders and other interlocutory orders** for discovery of documents, preserving the infringed goods, documents or other evidence and restraining the offender from disposing off or dealing with its assets in a manner which may adversely affect the plaintiff's ability to recover damages, costs or other pecuniary remedies.
- ✓ A **minimum penalty** of six months imprisonment and Rs.50, 000/- (US\$ 1115) has now been prescribed for trade mark violations. The maximum penalty has been increased to three years imprisonment and fine of Rs.2, 00,000 (US\$ 4450).
- ✓ Trade mark violation is now a cognizable and non-bailable offence. A Police officer (not below the rank of Deputy Superintendent of Police) is now **empowered to search and seize without warrant**, the goods, dies, blocks, machines, plates or other instruments or things involved in committing the offence. The Police officer is, however, bound to obtain an opinion from the Registrar of Trade Marks on the facts involved to the offence relating to trade marks.
- ✓ In respect of civil suits a significant departure has been made from the provisions of the Code of Civil Procedure. Trade mark owners (including registered users) will now be able to **initiate civil proceedings in any court having jurisdiction where they reside, work for gain or carry on business**. No longer will it be necessary to initiate proceedings where the infringer resides or works for gain or carries on business i.e. makes its goods / services available. This provision will assist the rights owner to plan all-India anti piracy operations from one jurisdiction of its own choice.

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