

# Trademarks

in 42 jurisdictions worldwide

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# India

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## 1 Ownership of marks

Who may apply?

As per section 18 of the Trade Marks Act 1999 (the Act), any person who claims to be the proprietor of a trademark used or proposed to be used by him or her may apply to register the mark. The claim may be based on use of the mark in relation to particular goods by the applicant itself, or its predecessors in title, or it may be based on its intention to use the mark. However, the only exception as per section 46 of the Act is that a person may make an application even if it has no intention of using the mark itself, if it intends to assign the trademark to a company within six months, or by a person who proposes to use the trademark as a registered user as and when the mark is registered. The term 'person' includes any company or association or body of individuals, whether incorporated or not.

Applications can also be made by a minor represented by a guardian. Also, two or more persons may apply to register a mark as joint proprietors provided the conditions laid down in section 24 of the Act are satisfied.

## 2 Scope of trademark

What may and may not be protected and registered as a trademark?

As per section 2(m) 'mark' includes any device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof.

As per section 2(zb), the term 'trademark' includes trade names, service marks, shapes of goods, their packaging and combination of colours, and is registrable if following conditions are fulfilled:

- the mark is capable of being represented graphically;
- the mark is capable of distinguishing the goods or services of one person from those of others; and
- a registered trademark or a mark used in relation to goods or services for the purpose of indicating a connection in the course of trade between the goods or services, as the case may be, and some person having the right as a proprietor to use the mark.

According to section 2(zb)(i) 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.*

The term 'trademark' includes certification trademarks and collective marks. A trademark may be limited to colours or combinations of colours (section 10). In cases of honest concurrent use or special circumstances, more than one person may be granted the same trademark (section 12). However, a trademark may not be registered if it

falls under sections 9 and 11 of the Act. A trademark is not registrable if:

- it is not distinctive or capable of distinguishing the goods or services of one person from those of another person;
- it consists exclusively of marks or indications that are directly descriptive of any characteristics or qualities, quantity, intended purpose, values, geographical origin or the time of production of the goods or services;
- it comprises generic names and marks common to the trade;
- it will by its very nature deceive the public or cause confusion;
- it contains matter likely to hurt people's religious sensibilities;
- it contains scandalous or obscene matter;
- it contains or consists of any matter, the use of which is prohibited by the Emblems and Names (Prevention of Improper Use) Act 1950;
- for shapes of the goods, if the shape is the natural shape of the good;
- the shape of good is necessary to obtain a technical result;
- the shape gives substantial value to the goods;
- because of its identity or 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 public, and there is a likelihood of association with an earlier trademark;
- it is identical or similar to an earlier trademark, and the goods or services are dissimilar to those for which the earlier mark is registered, and the earlier mark is a well-known mark in India and use of the later mark would adversely affect the distinctive character and reputation of the earlier trademark;
- its use in India is liable to be prevented by virtue of law of passing-off or copyright law; or
- a mark is filed in bad faith to affect the rights relating to the earlier trademark.

## 3 Registration time frame and cost

How long does it typically take, and how much does it typically cost, to obtain a trademark registration?

As per the Act, registration of a trademark should take no longer than 18 months. However, in practice it usually takes two to three years to obtain registration. Presuming that the mark applied for registration is not opposed, then the statutory cost involved in registration of a trademark, where an application is made to register a trademark for specification of goods or services included in one class, would be 2,500 rupees and the statutory fee for making an application for registering a collective mark or certification trademark would be 10,000 rupees. Where the mark is opposed, additional costs would have to be borne. The attorneys' fees would be separately chargeable.

#### 4 Classification system

What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed?

The classification of goods and services is provided in the Fourth Schedule of Trademarks Rules 2002, which corresponds to the international classification of goods and services. However, it is not exhaustive, and for full disclosure of the contents of international classification the applicant can refer to the current edition of the international classification of goods and services as published by WIPO, namely the Nice Classification of goods and services, as the same is applicable in India. The Fourth Schedule of Trademarks Rules, 2002 is divided into two parts: classes 1 to 34 deal with goods and classes 35 to 42 deal with services.

#### 5 Conflicts with other trademarks

Are applications examined for potential conflicts with other trademarks? What is the procedure followed by the Trademark Office?

Yes, the applications are examined for conflicts with other trademarks. An applicant who wishes to register its mark should apply using form TM1 as specified in the Rules. Every such application made is acknowledged by the registrar, and the acknowledgement is, by way of return of one of the additional representations of the trademark, filed by the applicant along with its application, with the official number of the application entered on it.

Upon receipt, the registrar shall search the registered trademarks and the pending applications to ascertain whether the same or similar goods or services are on record in respect of any mark identical or deceptively similar to the mark the applicant wishes to register; the registrar will then issue a report of the same along with a first examination report stating the reasons why, if applicable, the registration of the applied mark is objected to. The applicant then has to reply to the report trying to satisfy the objections raised by the registrar. If the registrar so desires, he or she may fix a hearing and if he or she is satisfied, the registrar may pass orders to advertise the said mark in the Trademarks Journal. If, within three months or a further period not exceeding one month, the said mark is not opposed, the registrar shall enter the trademark into the register.

#### 6 Use of a trademark and registration

Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a challenge on grounds of non-use?

Application for the registration of a trademark or service mark may be made with the user claim, giving the date or proposed to be used by the applicant.

The proof of use of a trademark has to be submitted only if:

- the trademark is devoid of any distinctive character, that is to say, it is not capable of distinguishing the goods or services of one person from those of another person;
- the trademark consists exclusively of marks or indications that may serve in trade to designate the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or rendering of the service or other characteristics of the goods or service;
- the trademark consists exclusively of marks or indications that have become customary in the current language or in the bona fide and established practices of the trade;
- there exists a likelihood of confusion on the part of the public because of the similarity of a trademark to an earlier trademark and similarity of goods or services covered by the trademark;

- there exists a likelihood of confusion on the part of the public because of similarity of the trademark to an earlier trademark and the identity or similarity of the goods or services covered by the trademark;
- the trademark proposed to be registered is identical to or similar to an earlier 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;
- the trademark proposed to be registered for goods or services which are not similar to those for which an earlier trademark is registered in the name of a different proprietor, to the extent that 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; or
- in the case of honest concurrent use or of other special circumstances that in the opinion of the registrar make it appropriate, the registrar may permit the registration by more than one proprietor of trademarks that are identical or similar (whether any such trademark is already registered or not) in respect of the same or similar goods or services, subject to any conditions and limitations the registrar may think it fit to impose.

Once the trademark or service mark is registered, the proprietor has to start using it within a reasonable period. If the mark is not put to use it is open to rectification or cancellation. A registered trademark may be taken off the register as per section 47 in respect of the goods or services in respect of which it is registered, by an application made in the prescribed manner to the registrar or the Appellate Board by any person aggrieved on the ground that up to a date three months before the date of a rectification application or up to a date three months before the date of the application for removal of that trademark, a continuous period of five years from the date on which the trademark is actually entered in the register or longer had elapsed during which the trademark was registered and during which there was no bona fide use thereof in relation to those goods or services by any proprietor thereof for the time being. Use of trademarks or service marks for goods or services of the same description or associated goods or services shall be deemed as sufficient use. The only exception to this provision is the existence of special circumstances that include restrictions on the use of the trademark in India imposed by any law or regulation.

#### 7 Appealing a denied application

Is there an appeal process if the application is denied?

Yes, if the application is denied and the applicant intends to appeal the decision of the registrar, it may, within 30 days of the date of receipt of such communication, apply in form TM15 to the registrar requiring him or her to state in writing the grounds of and materials used by him or her in arriving at his decision. The date when the statement in writing is received shall be deemed to be the date of the registrar's decision for the purpose of an appeal (rule 40). The appeal to the Intellectual Property Appellate Board (IPAB) shall be made within three months from the date of such decision (section 91).

#### 8 Third-party opposition

May a third party oppose registration, or seek cancellation of a trademark or service mark? What are the primary bases of such challenges, and what are the procedures?

A third party may oppose registration, or seek cancellation of a trademark or service mark. The primary basis of such challenges, and the procedures are as follows.

### Primary basis of opposition

The primary basis for filing an opposition to a trademark is the likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trademark, on the following grounds:

- the identity of a trademark with an earlier trademark and similarity of goods or services covered by the trademark;
- the similarity of a trademark to an earlier trademark and the identity or similarity of the goods or services covered by the trademark; or
- 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.

### Procedure of opposition

Section 21 of the Trademarks Act 1999 clearly states that any person may oppose an application for registration. However, an applicant seeking cancellation of a trademark can file a rectification application under section 57 of the Act only if the applicant is an aggrieved person.

The procedure for filing an opposition of a trademark is as follows (rules 47 to 56 of the Trademarks Rules, 2002):

- (i) Any person who wishes to oppose a mark may make a notice of opposition on form TM5 within three months of the date when the advertisement of an application is made available to the public, or within such further period not exceeding one month as approved by the Registrar on making an appropriate application on form TM44.
- (ii) The applicant has to file a Counter Statement on form TM6 within two months of the date of receipt of the notice of opposition filed by an opponent.
- (iii) Within two months of service of a copy of the counterstatement or within such further period not exceeding one month as allowed by the Registrar on request, the opponent shall file evidence by way of affidavit in support of its opposition under Rule 50 of The Trademarks Rules, 2002. Copy of said evidence needs to be supplied to the Trademarks Registry and to the applicant.
- (iv) Within two months or within such further period not exceeding one month as the Registrar may allow on request, on receipt by the applicant of a copy of the affidavit in support of opposition, the applicant shall file a copy of evidence by way of affidavit in support of its own application under Rule 51 of The Trademarks Rules, 2002 and supply a copy of the same to the Registrar and the opponent.
- (v) Within one month of receipt by the opponent of the copies of the applicant's affidavit, or within such further period not exceeding one month as approved by Registrar, the opponent may file rebuttal evidence in support of opposition with the Registrar by way of affidavit in reply under Rule 52, and deliver a copy of the same to the applicant.
- (vi) Ordinarily, within three months of the date of completion of the evidence, the Registrar shall give notice of the hearing to the parties. The Registrar shall record written arguments if submitted by a party to the proceeding.
- (vii) After hearing the parties, the Registrar shall notify the parties in writing of its decision.

### Primary basis of rectification

An applicant seeking cancellation of a trademark can file a rectification application under section 57 of the Act only if the applicant is 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. The applicant 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.

### Procedure of rectification

Applications for rectification may be made either to the registrar or the IPAB procedure of rectification before the registrar (rules 92 to 95).

The procedure of rectification before registrar is as follows:

- the application for rectification shall be filed on form TM26 in triplicate, accompanied by a statement in triplicate and prescribed fees. The same shall be served by the registrar on the registered proprietor within one month;
- within two months (extendable by one month) of the receipt by a registered proprietor of the copy of the application, he or she should send on form TM6, a counterstatement in triplicate; and
- the next steps are similar to steps (iii) to (vii) of the procedure for the opposition of a trademark, mentioned above.

### 9 Duration and maintenance of registration

How long does a registration remain in effect and what is required to maintain a registration?

The registration of a trademark is granted for a term of 10 years and can be renewed from time to time on payment of a statutory fee prescribed by the rules. To maintain the registration, the mark should be renewed in a timely manner. However, where the applicant fails to renew the same, it can still protect its mark from being removed from the register by paying a prescribed fee and surcharge within six months of the expiration of the last date of registration of the trademark (section 25). Where the mark is removed from the register due to non-payment of the renewal fee, the registrar, after six months and within one year from the last date of registration, may restore the application if the applicant makes an appropriate application during this period (section 26).

### 10 The benefits of registration

What are the benefits of registration?

Benefits of registration of trademarks are as follows:

- the exclusive right to use the <sup>TM</sup> mark and obtain the relief of infringement in appropriate courts in India in addition to the passing-off action available to the proprietor of the trademark;
- priority: businesses do not spread across the country in a small period – therefore if the trademark is registered, it will help the proprietor to stop others from using the mark in other states as;
- use of the '®' symbol: only those trademarks that are registered may use the '®' symbol; and
- others will be deterred from using such right, as:
  - the Trademark Office will refuse registration of any similar marks;
  - the registered mark will appear on the searches when any other person contemplates adopting a similar mark;
  - cyber-squatters will be stopped from using a registered proprietor's mark for a domain name;
  - a judge is more convinced and the opponent is more intimidated if the trademark is registered; and
  - the following questions do not have to be proved in evidence: Is the mark valid? Who is the owner? Who has continuously used it?

### 11 Assignment

What can be assigned?

A registered or unregistered trademark is assignable and transmissible. The proprietor can assign or transmit the trademark with or without the goodwill of the business concerned. Assignment or transmission can be made for all or some of such goods or services. However, no such assignment is possible where exclusive rights subsist in more than one of the persons concerned by the use of trademarks nearly resembling each other or of identical trademarks in relation to the same goods or services or the same description of

goods or services that are associated with each other. This would be so because the use of similar trademarks is likely to cause confusion or to deceive. However, such assignment would not be invalid if the goods are sold in different markets, either within India or for export to other countries, keeping in mind the limitations imposed on such exclusive rights.

An assignment, as per provisions of the Act, is valid even without assignment of other business assets.

#### 12 Assignment documentation

What documents are required for assignment and what form must they take?

To file for recordal of assignment of registered trademarks the prescribed forms are forms TM23 and form TM24.

An application on form TM23 may be filed, jointly, by the registered proprietor and the transferee to register the transferee as the subsequent proprietor of a trademark. An application on form TM24 may be filed by the transferee alone. In both the cases the assignment deed is to be enclosed.

To file for recordal of assignment of unregistered trademarks, an application on form TM16 along with the assignment deed may be filed by the transferee to carry out amendment to the name and address of the applicant.

The following documents are required for recordal of the assignment :

- duly executed and notarised deed of assignment; and
- a power of attorney, from the assignee or transferee, in our favour duly signed on a stamp paper of 100 rupees. The document needs no notarisation or legalisation but the name and designation of the person signing the power of attorney must be clearly stated.

#### 13 Validity of assignment

Must the assignment be recorded for purposes of its validity?

Yes, where a person becomes entitled to a trademark or service mark by assignment, such person shall apply in the prescribed manner to the registrar for registration of the title and the registrar shall, on proof of title to its satisfaction, register it as the proprietor of the trademark and shall cause the particulars to be entered in the Trademarks Register.

#### 14 Security interests

Are security interests recognised and what form must they take?

Data protection law has not been formally enacted. Under common law or law of torts, parties can sue in civil or criminal courts for breach of data protection and confidentiality issues.

#### 15 Markings

What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?

The symbols used to indicate trademark use or registrations are 'TM', 'SM' and '®'. 'TM' and 'SM' are used for a trademark and service mark respectively, that are pending before the registrar of trademarks. The '®' symbol can only be used if the mark is a registered trademark. These symbols need only appear in the first or most prominent portion of the mark. Omission of the aforesaid symbols does not invalidate or compromise a trademark owner's right in a trademark. Its purpose is to alert the public to the ownership of the mark and to protect the mark.

The benefits of marking with such words or symbols are:

- symbols provide notice that the proprietor is claiming rights over the said mark bearing the symbol;

- using the symbols prohibits infringers from claiming innocent infringement in an effort to avoid liability for damages; and
- symbols strengthen the brand name and goodwill represented by the mark.

The risks of not marking with such words or symbols are:

- if someone copies a proprietor's logo or mark that does not have the symbol included in it, the infringer can take the defence that the proprietor failed to identify the logo as a registered trademark;
- the infringer can take the defence, under section 135(3)(b) of the Trademarks Act 1999, that at the time it commenced to use the trademark complained of in the suit, it 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
- statutory damages are limited to those arising after the defendant received actual notification of the charge of infringement.

#### 16 Trademark enforcement proceedings

What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?

Civil and criminal action can be taken against the infringer. The aggrieved party can file a civil suit on the basis of infringement or passing-off, asking for *Anton Piller* orders, ad interim ex parte injunctions, appointment of a commissioner to take an inventory of goods, costs and damages, etc. In a majority of cases, the matters are settled; in certain cases they also proceed for trial.

Civil action lies in the appropriate court based on pecuniary jurisdiction. In criminal actions, raids can be conducted by the police by filing a first-information report (FIR) as the offence of infringement of trademark or copyright is cognisable in nature. Alternatively, criminal complaints can be filed before the magistrate of the appropriate jurisdiction, and search and seizure warrants obtained, leading to police raids and delivery up of infringing material. Criminal cases proceed as state cases. The normal criminal courts handle such matters. Grey or parallel imports are illegal, and also can lead to civil and criminal action. Through the Intellectual Property Rights (Imported Goods) Enforcement Rules 2007, read along with the Customs Act 1962, the government of India now provides an effective border measure against counterfeit imports into India.

The Ministry of Finance issued notification No. 47/2007 Customs (NT) to be read as Intellectual Property Rights (Imported Goods) Enforcement Rules 2007 and along with the Customs Act 1962. Through such rules, the government now provides effective border regulations against counterfeit goods into India. If the proprietor of intellectual property rights (the rightholder) suspects that some infringing goods are being imported to India, the rightholder or the authorised representative may give the commissioner of customs notice in writing in the prescribed form along with a fee of 2,000 rupees giving out its contact details, proof of ownership, samples of genuine products, a brief complaint and details of the port of entry. The commissioner shall then register or reject such notice within 30 working days or any further period as extended. The Rules also give authority to the deputy and assistant commissioner of customs to take *suo moto* action against the suspected infringing goods and inform the rightholder and the importer or consignee of such action, further requesting them to join the investigation. Once clearance of the impugned goods is suspended the rightholder shall execute a bond with the commissioner of customs for an amount that provides surety to protect the importer or consignee against liabilities arising out of such suspension. The rightholder shall also execute an

indemnity bond with the commissioner of customs indemnifying the Customs authorities. The proceedings have to be adjudicated within 10 days for non-perishable goods and three days for perishable goods, which can be extended by 10 days and four days respectively. The commissioner of customs is at liberty to seek any technical assistance from the rightholder. Once the goods are found to be infringing to the satisfaction of the custom authorities, the same shall be seized. The seized goods are to then be destroyed or disposed of in consultation with the rightholder. The rightholder is also at liberty to retain samples of the goods as evidence in pending or future litigation.

A suit for infringement, etc, may be instituted before a district court or a high court, depending upon the pecuniary jurisdiction (ie, the amount mentioned in the suit). However, such right to file before a high court or a district court varies with different territorial jurisdictions.

#### Specialised courts or other tribunals

The IPAB hears appeals from any order or decision passed by the registrar of trademarks. An application for removal of a registered trademark can be filed before the IPAB.

The procedure involved in IPAB is as follows:

- any person who wishes to file an appeal against an order or decision of the registrar of trademarks, or an application for removal of a registered trademark from the register, may file using the prescribed forms of the Trademarks (Applications and Appeals to the Intellectual Property Appellate Board) Rules, 2003;
- the respondent may file three complete sets of counterstatement on prescribed form within two months of the service of the notice on it of the filing of an application or appeal;
- after receipt of the counterstatement, the applicant or appellant may file its reply within two months of service of a copy of the counterstatement along with evidence in the form of affidavits, if any, in triplicate in the Registry; and
- where there are exhibits to affidavits, a copy of each such exhibits shall be sent to the other party.

#### 17 Procedural format and timing

What is the format of the infringement proceeding?

Civil proceedings in infringement or passing-off action are governed by the Civil Procedure Code 1908 (CPC). The application for injunction, written statement or counterstatement, replication or rejoinder must be drafted as per the guidelines given in the CPC; the trial is also conducted accordingly, including framing of issues, filing and admission or denial of documents, evidence, cross-examination, arguments or written submissions followed by the orders or judgment. Discovery is allowed if requested, as is witnesses' testimony including expert evidence. The case is decided by the court in which the matter has been filed. There is provision for appeals thereafter, right up to the Supreme Court. If there is a settlement, the matter can be completed within a few months of any *Anton Piller* orders. If matter is contested and proceeds for trial, it may take eight to 10 years to conclude.

The criminal enforcement mechanism is governed by the Criminal Procedure Code 1973. For cognisable offences, the FIR can be filed with the police station of appropriate jurisdiction, which is entered into the case diary and an investigating officer is appointed by the station house officer. The police will then go to the location and conduct the raid, seize the offending material (which becomes case property) and arrest the accused, who is to appear before the magistrate within 24 hours. The accused always asks for bail and the investigating officer requests police remand to complete the investigation and submit the charge sheet. It is at the discretion of the magistrate to grant or deny bail.

For complaints before the magistrate, the magistrate may issue summons or warrants and may also direct the police to conduct a raid by granting a search and seizure warrant. Thereafter, the procedure is the same as mentioned above. As per section 115 of the Act, it has

been stipulated that the court shall recognise an offence on the basis of a certificate issued by the registrar to the effect that a registered trademark has been misrepresented as registered in respect of any goods or services.

#### 18 Burden of proof

What is the burden of proof to establish infringement or dilution?

The burden of proof to establish infringement or dilution lies on the aggrieved party – the proprietor of the trademark. By providing proof of the reputation and goodwill of the proprietor's mark, its sale and advertisement figures, invoices, advertising material, on-the-spot events, cognate and allied goods, commonality of sale outlets and consumers, degree of resemblance or phonetic similarity of the marks and affidavits of consumers and traders, the rightholder can establish the existence of confusion and deception to prove that the infringing activity is against the interest of the general public at large.

#### 19 Standing

Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?

The remedy can be sought by the proprietor of a registered trademark by way of infringement and passing-off action. In the case of an unregistered trademark, the common law relief of passing-off is available to the prior adopter and user of the mark who must prove that the said mark has acquired a distinctive character and is capable of distinguishing its goods or services from those of others, or on account of its long and continuous use has become well known. The registered user can also sue similarly for infringement or passing-off, but in such cases they have to make the registered proprietor the defendant.

A licensee cannot sue for infringement. The owner of the mark has to be made a party to the suit. However, a registered user can sue for infringement. Criminal cases can only be filed individually by the registered proprietor or registered user.

#### 20 Foreign activities

Can activities that take place outside the country of registration support a charge of infringement or dilution?

Where infringement activity is being carried out in a foreign country, the action would lie in that particular country and be governed by its laws; Indian courts would not have jurisdiction over a foreign country. Where the infringing material, or grey or parallel imports are entering India, the border enforcement measures against such unauthorised goods (see question 16) would come into play.

Cyber-squatting as an offence relates to the registration of a domain name by an entity that does not have an inherent right or a similar or identical trademark registration in its favour, with the sole view and intention to sell them to legitimate users to earn illegal profits. In certain cases the courts have passed injunction orders restraining the defendant from copying the domain name of the plaintiff. Cases can also be filed with the WIPO under the Uniform Domain Name Dispute Resolution Policy, a quick and cost-effective dispute resolution procedure.

#### 21 Discovery

What discovery devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?

As per the CPC, in civil cases application for discovery from third parties or Indians outside the country can be made. Parties outside the country that are not Indian citizens are not governed by Indian courts. In criminal cases, no such provision exists and the complainant or the police have to produce the evidence or documents on their own.

### Update and trends

The Supreme Court has now given its interpretation on removals of registered trademarks from the register on the ground of non-use by 'any proprietor thereof for the time being', as it occurs in section 47 of the Trademarks Act, 1999. The judgment is a significant one, being a culmination of conflicting judgments given by the IPAB and High Court of Delhi on the issue.

Thukral (represented by Inttl Advocare) manufactured centrifugal pumps under the trademark Field Marshal. This was objected to by PM Diesel who manufactured diesel oil engines under its registered trademark Field Marshal. PM Diesel also claimed the trademark for manufacturing centrifugal pumps. To strengthen its proprietary claim during suit proceedings, Thukral obtained assignment of the registered trademark Field Marshal from Jain Industries, which was the registered proprietor for such pumps. Cancellation proceedings initiated by PM Diesel were dismissed by the IPAB on the ground that Thukral had not been a registered proprietor of the assigned mark for the relevant period of five years. In a writ against the order, the Delhi High Court upheld the contention of PM Diesel and held that the expression 'any proprietor thereof for the time being' should not be interpreted in a manner that gives rise to the practice of trafficking in trademarks enabling a non-user to escape the consequence of non-use by transferring the trademark to another person. Consequently, the High Court allowed the writ petition and remanded the case back to the IPAB for re-hearing. This order was challenged by Thukral before the Supreme Court. The Supreme Court set aside the order of the High Court by interpreting section 47(1) as under:

- 47 Removal from register and imposition of limitations on ground of non-use
- (1) A registered trademark may be taken off the register in respect of the goods or services in respect of which it is registered on application made in the prescribed manner to the Registrar or the Appellate Board by any person aggrieved on the ground either: [...]
- (b) that up to a date three months before the date of the application, a continuous period of five years from the date on which the trademark is actually entered in the register or longer had elapsed during which the trademark was registered and during which there was no bona fide use thereof in relation to those goods or services by 'any proprietor thereof for the time being [...]

The judge held that it is correct that a registered proprietor should not be permitted to circumvent the law regarding use of the trademark for a long period by assigning from time to time. However, such case has to be made out. The doctrine of trafficking did not apply to the facts and circumstances in this case since, admittedly, Thukral had been using the trademark.

Non-use could not be attributed to Jain Industries, which was the predecessor of Thukral, unless Jain Industries was made a party and given an opportunity to defend the claim.

Finally, if the assignee has obtained assignment for bona fide use, it may not be burdened with any liability owing to non-use on the part of its predecessor. In other words, the mistake of the predecessor should not be vested with non-use of the present registered owner.

### 22 Timing

What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?

The typical time frame for an infringement or dilution action at the trial stage is eight to 10 years. At appellate stage, it would take another one to two years.

### 23 Litigation costs

What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?

The typical costs associated with an infringement or dilution action if settled after the *Anton Piller* orders would be around 202,000 rupees excluding ad valorem court fees based on the liquidated damages claimed. If the matter proceeds to trial, the cost of trial preparations and the trial would be approximately 504,000 rupees. At the appellate stage the costs would reach around 1 million rupees. These figures are only indicative and may differ depending on the firm, counsels or complications involved in the matters.

A civil suit for damages is filed under the provisions of the Civil Procedure Code 1908. Usually such a suit is accompanied by an application for claiming injunction under order 39 rules 1 and 2. The application for injunction is adjudicated first. If an ex parte injunction is granted by the court then the infringer is restrained from selling the infringing goods or offering of infringing services, along with seizure and sealing of the infringing goods. If the court is of the opinion that a case of ex parte injunction is not made out, then it issues notice to the infringer.

A plaintiff can obtain costs in a civil suit for infringement of a trademark. In certain cases the court has held that it has no hesitation in saying that the time has come when the courts dealing with actions for infringement of trademarks, copyrights, patents etc should not only grant compensatory damages but award punitive damages also with a view to discourage and dishearten law breakers who indulge in violations with impunity out of lust for money so that they realise that if they are caught, they would be liable not only to reimburse the aggrieved party but would be liable to pay punitive damages, which may spell financial disaster for them. There is no consistency in the decisions in this regard. There is need to incorporate statutory punitive damages.

### 24 Appeals

What avenues of appeal are available?

The IPAB hears appeals from any order or decision passed by the Registrar of Trademarks. In civil cases, the appeal lies from the district court, to the High Court, to the Supreme Court. In criminal cases, the appeal lies from magistrate's court to the sessions court to the High Court, or directly from the High Court to the Supreme Court.

### 25 Defences

What defences are available to a charge of infringement or dilution, or any related action?

To defend a charge of infringement or dilution, a party may take any of the following defences:

- its mark is not identical or deceptively similar to the trademark in relation to goods or services, in respect of which the trademark is registered;
- that there is no likelihood of confusion on the part of the public, nor is the public likely to associate its mark with the registered trademark;
- that the registered trademark has no goodwill and reputation in India; or
- that the person is not taking unfair advantage nor is its use of the mark detrimental to the distinctive character or reputation of the registered trademark. Similar defences can be taken in passing-off action as well.

### 26 Remedies

What remedies are available to a successful party in an action for infringement or dilution, etc? What criminal remedies exist?

The remedies available to a successful party in an action for infringement, dilution or passing-off are to file civil suit asking for *Anton Piller* orders, ad interim ex parte injunctions, appointment of commissioners to take inventory of goods, costs and damages, etc. Monetary relief is based on the extent of loss of goodwill, reputation and sales of the aggrieved party. Exemplary damages may also be awarded. Injunctive relief at the preliminary stage is available based

on the prima facie likelihood of confusion and deception, irreparable loss and injury and balance of convenience being in favour of the plaintiff, which may later be turned into permanent relief after the trial has been successfully concluded. In criminal cases, neither injunctive relief nor monetary relief is available to the complainant as the case proceeds as a state case and, once concluded, results in conviction or acquittal of the accused. If convicted, the accused goes to prison and pays the fine, if one is imposed.

## 27 ADR

Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?

ADR techniques are available, namely, arbitration, mediation or conciliation. ADR is used sparingly as mostly parties prefer to go to court. The benefits of ADR are speed of disposal and focused attention. The risks are possibility of bias or prejudice by the arbitrator.

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