

Managing Partner's Welcome Address



Dear Friends,

It gives me immense pleasure to bring this newsletter to you wherein, we have made efforts to bring to your kind attention some of the interesting and significant developments in the field of Intellectual Property Laws in India in the recent past.

The Madrid Protocol is knocking at India's door to be brought into the mainstream of Indian intellectual property jurisprudence. The Parliament has already passed The Trade Marks (Amendment) Bill, 2007 for bringing out the amendments in the existing Act, so as to make it compatible with the Madrid Protocol. There is a discussion on this topic in this newsletter, which I am sure would give an insight on the subject.

In February 2009, INTA, the largest representative body of trade mark owners and practitioners worldwide and ASSOCHAM which represents the largest conglomerations of representatives of Indian industries and trade, jointly hosted a round table to discuss the Intellectual Property Rights (Imported Goods) Enforcement Rules, 2007. The deliberations and discussions during the round table have thrown up several issues which need to be addressed and taken forward which are also discussed in the newsletter herein.

The recession has impacted the world including Indian trade, commerce as well as the legal profession. We all hope that it will be short lived and economic normalcy and growth would return at the earliest.

I hope you find the current edition of our newsletter informative and useful. We welcome your feedback and comments to make it an even better reading experience.

Hemant Singh

WHOSE NON-USE INVALIDATES REGISTERED TRADE MARK - VERDICT BY SUPREME COURT

The Supreme Court has now given its interpretation to removal of registered trademark on the ground of non-use by "any proprietor thereof for the time being", as it occurs in Section 47 of the Trade Marks Act, 1999.

The judgment is a significant one, being a culmination of conflicting judgments given by the Intellectual Property Appellate Board and High Court of Delhi on the issue.

Our client, Thukral manufactured centrifugal pumps under the trade mark Field Marshal. The same was objected to by PM Diesel who manufactured Diesel Oil Engine under its registered trademark Field Marshal. PM Diesel also claimed manufacturing centrifugal pumps. In order to strengthen its proprietary claim during suit proceedings, Thukral obtained assignment of registered trade mark Field Marshal from Jain Industries, who was registered proprietor thereof for pumps.

Cancellation proceeding initiated by PM Diesel was dismissed by Intellectual Property Appellate Board on the ground that Thukral had not even been a registered proprietor of the assigned mark for the relevant period of 5 years.

In a Writ against the order, 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 it gives rise to practice of trafficking in trade mark enabling a non-user to escape the consequence of non-use by transferring the trade mark to another person. Consequently, High Court allowed the Writ Petition and remanded the case back to Appellate Board 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 trade mark 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-

(2) (a) .....



(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 trade mark is actually entered in the register or longer had elapsed during which the trade mark 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”**:*

(2) .....

(3) ..... “

**Held:**



i) It is correct that a registered proprietor should not be permitted to circumvent the law of user of the trade mark for long time by assigning from time to time. However, such case has to be made out. The doctrine of trafficking would not apply in the facts and circumstances herein since, admittedly, Thukral had been using the trade mark;

ii) Non - use cannot be attributed to Jain Industries who was the predecessor of Thukral unless Jain Industries was made a party and given an opportunity to defend the claim;

iii) If the assignee has obtained assignment for bonafide use, he may not be fastened with any liability owing to non-use on part of his predecessor. In other words, the mistake of the predecessor should not be vested with non-use of the present registered owner.



**Border Measure Regulations & Intellectual Property  
INTA – ASSOCHAM Roundtable  
Held at ASSOCHAM House, New Delhi – February 20, 2009**

The Intellectual Property (Imported Goods) Enforcement Rules, 2007 were taken up for extensive deliberations and discussions on significant issues affecting Border Measures in a Round Table jointly hosted by INTA (International Trade Mark Association) and ASSOCHAM (The Associated Chambers of Commerce & Industry) at New Delhi on February 20, 2009.



The issues were deliberated with valuable inputs coming from all the attendees including representatives from the Ministry of Commerce, Law & Justice, Customs Department of India, lawyers and in-house counsels representing the industry such as Nestle, Microsoft, Pernod Ricard, Disney Products etc.



Deliberations covered various aspects including the requirement of registration with Custom Authorities, various enforcement issues, penalty issues, bond, responsibilities and liabilities in case of parallel/grey imports, exports, etc. A detailed analysis of the pros and cons of said legislation was carried out and suggestions were made for necessary amendments.

The deliberations threw up several issues which need to be addressed by the Government of India and its Customs Department as well as the Industry. Some of these are:

- The requirement of multiple filings with the Commissioner of Customs for recordal of multiple IP Rights should be dispensed with and substituted with payment of additional fee for each right in a single application. The Director General, National Academy of Customs Excise & Narcotics (NACEN), Mr. Anil Bhatnagar agreed that this modification can be made in the existing regulations;
- Time frame for joining proceedings and filing of “surety” and “security” should not be rigid. Further, the same should be calculated from the date of receipt of intimation of interdiction instead of the date of interdiction. The Director General agreed to this suggestion as well;
- Concern was raised about the Right Holder being burdened with the requirement of surety and security whereas no such obligation is cast on the Importer even if the imported goods are counterfeit. In all fairness, the Importer, should also be required to submit such surety and security, and in case, goods are found to be counterfeit, the cost of demurrage, warehouse and destruction should be borne by the Importer alone and not by the Right Holder. This remains a contentious issue;





- The mechanism of judicial review after the interdiction should be incorporated which is the requirement of TRIPS to which India is a signatory;
- Provision should be made for recordal and recognition of unregistered trade marks and copyrights also;
- There is a need for clarification on whether these Rules apply to “trans-shipment” and parallel imports as well;
- Importers who do not participate in proceedings after interdiction and intimation should be blacklisted so that there is a deterrence;
- Border Measure Regulations also need to be extended to infringing export and can't remain confined to infringing imports only.



It is expected that the issues raised and the deliberations undertaken are documented and circulated to Government authorities as well as WIPO for review and improvement. There is also a need for such awareness workshops and deliberations to be held in other jurisdictions in India.

## MADRID PROTOCOL The Trade Marks (Amendment) Bill, 2007

Under the prevailing Trade Marks Act, 1999, unlike the Patent regime, an applicant has to make separate applications in different languages and pay different set of fees in different countries where it wants its trade mark to be registered. There is no provision under The Trade Marks Act, 1999 to facilitate Indian nationals to secure protection of trade marks in other countries. The accession to the Madrid Protocol would facilitate speedy registration of Indian marks in different markets worldwide and promote business confidence in the Indian Intellectual Property Rights (IPR) system globally.



The Madrid Protocol provides that once an 'international registration' has been obtained from WIPO by the owner of the trade mark, the protection can be extended to countries which are signatory to the Madrid 'designation'. The international designated country's national reviewed in consonance with the Hence, the registration with WIPO the signatory countries. Madrid nationals of the member countries of the Protocol to obtain protection of trade marks in various countries within 18 months from receipt of advice by the designated country from the International Bureau by filing a single international application, with one fee and in one language.



Protocol through a process called application will be examined by trade mark authority, and national laws of that country. is not a registration ab-initio in all Protocol therefore, enables the

In order to accede to the Madrid Protocol, amendments to The Trade Marks Act, 1999 have been made by way of The Trade Marks (Amendment) Bill, 2007, which was introduced by the Ministry of Commerce and Industry in the Parliament on 23<sup>rd</sup> August, 2007 and the same was passed by the Lower House of the Parliament on 25<sup>th</sup> February 2009.

The amendment to The Trade Marks Act, 1999 includes incorporation of a new Chapter IV A, containing special provisions relating to protection of international registration of trade marks under the Madrid Protocol. Chapter IV A empowers the Registrar of Trade Marks to deal with international applications originating from India as well as those received from the International Bureau and maintaining a record of international registrations. The amendment also provides for the registration and renewal of international registrations.

The Bill reduces the time period for filing a notice of opposition to a published application from four months to three months for speedy disposal of proceedings. Sections 40, 41 and 42 (restrictions on assignment creating multiple rights or rights in multiple jurisdiction) have been omitted in the Bill to simplify the law relating to transfer of ownership of trade marks by assignment or transmission and to bring the law generally in tune with international practice and modern business needs. Section 45 will also be modified to simplify the process of transfer of ownership where the Registrar may require the Applicant to furnish further documents pertaining to the assignment, only if, there is a reasonable doubt as to the veracity of any document.





Chapter X of The Trade Marks Act dealing with special provisions for textile goods, has been omitted as it has now become redundant.

The Government of India and the Trade Mark Office need to augment the infrastructure, human resource and data management at various levels. The Government is already taking steps in this regard and a proposal for modernization of Intellectual Property Offices has been submitted to the competent authority for approval to make it at par with global standards and also user friendly. The benefits of acceding to the Madrid Protocol far outnumber the drawbacks, as a reciprocal protection of trade marks between India and the other signatory countries will encourage transfer of technology and instill overall business confidence in the Indian IPR regime.

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