Trade Marks Protection under Indian Trademark Law: An Assessment

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Abstract: Today trademark plays a vital role in identification of goods and services with their quality. Trademark is a kind of good and reputation pertaining to the goods and service provider and helps to identify them with a specific mark to serve better for the consumer. As it is a kind of intellectual property, legal production is available to it. Violation of trademark right in case of registered trademark it is infringement and in case of unregistered trademark it will be passing off. Injunction, damages and account for profit are the remedies available for violation of trademark rights in India. Now India trademarks are governing under Indian Trade Mark Act, 1999.

Introduction

Trademarks are a very valuable form of intellectual property like any other intellectual property rights and they are always associated with quality and consumer. Trademark safeguards the interest of consumer as well as trader as trademark make out the origin of goods from a definite trade source. Hence, it prevents the consumer from duping with a substantial commodity. Trademark enables the consumer to distinguish the good from similar goods. Further trademark helps the consumer to identify the goods with a particular trader or with his successor as of a business owner. For example, the trademark ‘Lakme’ distinguishes the goods of Lakme Lever Co. from those of say the ‘Revlon’.¹

Meaning and Definition of Trademark

A trademark or trade mark is one of the Intellectual Property Rights. Trademark is a visual symbol and it might be in the form of work, phrase, design, sound, smell, colour, product configuration, numbers, combinations of those, a divide, or a label applied to articles of commerce, which is capable of distinguishing the goods or services of one person from those of others. It has been defined to mean a mark capable of being represented graphically². Trademark is capable of distinguishing the goods or services of one person from those of others including the shape of goods, their packing and combination of colours.

‘A trade mark is a sign that individualizes the goods or services of a given enterprise and distinguishes them from its competitors.³ Trade mark is represented by the symbol TM or ®. Therefore, a trademark used or proposed to be 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 mark⁴ or permitted user, to use the mark whether with or without any indication of the identity of that person.⁵

The definition of a ‘mark’ contains a list of various types of marks. The term ‘mark’ has been defined to mean and include a device, brand, heading, label, ticket, name, signature, word, letter or numeral or any combination thereof.⁶ Meanwhile the new trademark Act has got certain additions to the definition of trademark. As per the new definition of mark under the Act a mark includes shape of goods, packaging and combinations of colors also.⁷ Though the trademark defined under the Act is very wide, it can be stated in short that Trademark is a visual symbol used in relation to any goods or services to indicate some kind of trade connection between the goods or services and the

¹Wadehra, B.L., (2000), Law relating to patent Trademarks Copyright Designs and Geographical Indications, Delhi: Universal Law
²Section 2 (1) (zb) of Trademarks Act of India, 1999.
³ World Intellectual Property Organization
⁴In relation to chapter XII (other than section107) of the Trademarks Act of India, 1999
⁵In relation to the other provisions of the Trademark Act, 1999.
⁶Section (1) (j) of Trademark and Merchandise Act, 1958.
⁷Section 2(1) (m) of Trademarks Act, 1999.
person using the mark. However, to bring a mark within the scope of the statutory definition of trademark, it should possess certain essential features as follows and with them it is easy to understand the scope of trademark

a) **Device**: Device is a mark, which refers to any pictorial representation, which does not come under any other category.

b) **Brand**: Though the precise significance of the word ‘brand’ in the definition of mark is not clear, it refers to those kinds of symbols, which are branded on the goods, in which case the symbols themselves would constitute the trademark for e.g. “Temple Brand” or “Gopuram brand”.

c) **Heading**: it is also a mark in relation to textile goods. It may contain letters or numerals or any combination thereof.8

d) **Label**: It refers to a composite mark containing various features including devices, words and descriptive expressions, usually printed on paper, which can be pasted or attached to the goods themselves or their containers.

e) **Ticket**: It appears to be something stitched or tagged on the goods and containing the mark printed or pasted thereon.

f) **Name**: It refers to the name of a company, individual or firm. It includes an abbreviation of a name and also work, letter or numeral.

g) **Shape**: Shape of goods and package including case, box and container etc does form a trademark.

h) **Trade Name**: Definition of ‘mark’ includes ‘name’ as such the term “trademark” includes ‘trade name’. The connection or nexus between the marks used in relation to the goods and the person claiming a right to use the same is necessary.

i) **House Mark and Product Mark**: In trade particularly in the pharmaceutical trade we come across two types of trademarks. One is product mark, which is used only in respect of one particular product; it often referred to as brand name of the product. And another mark is that House mark which is used on all the products of a manufacturer.

j) **Scheme**: Scheme of adorning or scheme of colour combination is also considered as a mark and could be registered.

k) **Blanks**: Trademark containing blanks also considered as mark. Often a proprietor of a mark designs his label leaving some blank space to be filled in with some additional matter, usually of a descriptive character, which will be varied depending upon the nature of the goods. In such cases the Registrar may insist as a condition of registration that the blank space should be filled in only matter of specified character.

**Historical Evolution of Trademarks Law in India**

Before 1940, there was not Trademark Act in India. At that time there were substantial problems were existed especially for the actions of infringement, passing off, etc’. Further more different enactments both civil and criminal were managing the trademarks protection i.e. the Indian Penal Code, 1860 in its chapter XVII (sections 463 to 489E) speaks about offences relating to “documents and to property marks”. Further sections 478 to 48910 of the same Act speak about “property and other marks”. Besides the Indian Penal Code, the Specific Relief Act, 1877 also speaks about protection of trademarks and temporary injunctions in case of infringement.11 Further, the registration aspect was attempted to establish by prescribing for a declaration as to ownership of a trademark under the Indian Registration Act, 1908, which was ignored by the Trade and Merchandise Marks Act, 1958.12By then British rulers enacted the Indian Merchandise Marks Act, 1889 and the Trademarks Act, 1940 to protect the trademarks. The 1940 Act was replica of England Trademark Act. The Act was not applicable to British Indian states like Mysore, Patiala, Saurashtra, Hyderabad, Kolhapur and Kapurthala as there were separate legislations were there. However, duplicity of trademark law was avoided by reciprocal arrangement between Government of India and these states.

In 1948, common legislation was enacted covering whole of India except the state of Jammu and Kashmir. Thus, after independence, significant developments took place in the field of business and trade. There was a need to bring out a comprehensive legislation on the subject. Accordingly the Government of India appointed Trademarks Enquiry Committee to make suggestions for the reforms in the trademarks Act, 10

8Section 80 of Trademarks Act, 1999.

1940. The committee submitted its recommendations but all members of the committee never had unanimous opinion in this regard. Therefore, the Government of India appointed Mr. Justice RajagopalaAyyangar of Madras High Court to examine the report of Enquiry Committee and make recommendations for the reforms. To give effect those recommendations, the Government of India appointed Dr.Venkateshwaran, officer on Special Duty (Trademarks, Patents and Designs) in 1955.

He drafted the Trade and Merchandise Marks Bill and in the same was enacted in the form of Trade and Merchandise Act, 1958. Since the passing of the Trade and Merchandise Marks Act, 1958, the Act has been amended several times. Moreover in view of developments in trade and commercial practices, increasing globalization of trade and industry, the need to encourage investment flows and transfer of technology at the international level and management systems and in the light of mandates of the TRIPS agreement it has been considered necessary to bring out a comprehensive legislation on the subject. Accordingly the Trademarks Act, 1999 was enacted with all the necessary adjustments.

Objective of Trademarks Law

Every law has got its own objectives on the basis of which it serves the purposes. The trademarks law has got an objective to provide for the registration, better protection of trademarks for goods or services and the prevention of the use of fraudulent marks goods and services. And by providing those provisions the trademarks law achieves two important objectives: one is protection of individual interest of the proprietor of the trademark and another is protection of interest of the society. Let us go into know some more details about these two important objectives:

I. Protection of Individual Interest of the Proprietor of the Trademark

The basic objective of the trademark law is to protect the individual interest of the proprietor or user of the trademark. The protection of individual interest of he proprietor of the trademark can be studies under three headings:

A. Protection of Exclusive Right of the Proprietor of the Trademark over his Trademark

The trademark law confers upon the proprietor of the trademark an exclusive right to use his trademark. The law provides for the relief in case of infringement of a registered trademark or passing-off of a registered or unregistered trademark, in the form of injunctions, damages and account of profits. And in case the offence of falsification the law provides for the penalties in he form of imprisonment and fine.

B. Protection of the Proprietor’s Right of Assignment

The law protects the individual commercial interest of the proprietor of the trademark like other tangible property. The exclusive right over the trademark conferred upon the proprietor by trademark laws includes his right to assign in favour of another person for some consideration. Instead of assigning he may also transfer his right to any interested person by granting license.

C. Protection of the Goodwill and Reputation of the Traders and Businessmen

Trademarks used in the course of business or trade identify themselves with the ‘goodwill’ or ‘reputation’ of the traders and businessmen with respect to the ‘goods and services’ with which their trademarks are associated. For example, trademark of golden arches with the trade name “McDonald” is identifiable with the fast food with the worldwide reputation.13 Trademark law protects trademark directly as soon as the article having assumed a vendible character is launched in the market. It is based on a settled principle of law that nobody has a right to represent his goods as the goods of somebody else and sell it in the market for his own aggrandizement.

II. Protection of the interest of the Society

Trademark identifies the origin of the ‘goods’ or ‘services’. Use of trademark should not indicate the false origin of goods and therefore, trademarks should not be used on false goods or services. In Laxmikant Patel v. Chetanbhai Shah14 the Supreme Court of India held that the law does not permit anyone to carry on his business in such a way as would persuade the customers or clients in believing that the goods or services belonging to someone else are his or are associated therewith. The reasons of honestly, fair play are and ought to be the basic policies in the world of business. When a person adopts or intends to adopt a name in connection with his business or services, which already belong to someone else, it results in confusion and has probability of diverting the customers and clients of someone else to himself and thereby resulting in injury to the former. Further the trademark also indicates the quality of the ‘goods’ and ‘services’. It has been held in the

13 Supra Note 1, p.158
14 (24) PTC 1 (SC) 2002
case Sumant Prasad Jain v. Shajahan Prasad and State of Bihar identifies itself with its proprietor but also with the qualities of the goods with which it is associated.

**Property in a Trademark**

A trader acquires a right of property in a distinctive trademark merely by using it upon or in relation to some goods irrespective of the length of such use or the extent of his trade. As between two who are each desirous of adopting the same mark it is entirely a question of who gets there first. Property in a trademark, which is only proposed to be used in relation to some goods, can be obtained by registration. There is no right to the exclusive ownership of a trademark apart from its use or application of it in connection with some vendible commodity. Property in a non-distinctive trademark for example a distinctive work, surname, geographical name could be acquired by the extensive use of mark in relation to some goods resulting in the goods becoming distinctive of other goods in the market. Property in a trademark could be lost by non-use for a length of time or by unregistered piracy. In case of registered trademark property in the mark could be lost for non-payment of renewal fee.

**Registrable Trademarks**

All marks used in the trade are not registrable. The trademark law does not provide for the registration of all marks used in trade and business. Marks those satisfy certain requirements are only registrable. Therefore, a mark, which satisfies the prescribed requirements, could be registered. Here it is very pertinent to know the requirements that a mark should satisfy for registration. The requirements that a mark should satisfy are as follows:

i. The mark should be capable of being represented graphically.

ii. The mark should be capable of distinguishing the goods or services of one from those of others.

iii. The mark must be 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 and services.

**Non-registrable Trademarks**

Certain trademarks are not registrable either in the public interest or due to the prohibition of such marks form registration under the statute for various reasons. The following marks are accordingly non-registrable:

- Mark that contains or comprises of any matter likely to hurt the religious susceptibilities of any class or section of the citizens of India;
- Mark that comprises or contains scandalous or obscene matter;
- Mark which the nature as to deceive the public or cause confusion;
- Mark prohibited under the Emblems and Name (Prevention of Improper Use) Act, 1950;
- Mark consisting exclusively the shape of goods which results from the nature of the goods themselves; and
- Mark containing the shape of goods, which is necessary to obtain a technical resulter the shape, which gives substantial value to the goods.

**Registration of Trademarks**

A mark, which satisfies the abovementioned requirements, could be registered, provided it does not fall under the category of prohibited marks. The registration of a mark involves three different phases:

**Filling and Acceptance of Application**

Application should be in writing and filed by its proprietor who has used or proposes to use. If the applicant is single, then the application should be filed in the office of the Registry within whose territorial limits the principal place of business of the applicant is situated. In case of joint applicants the application shall be filed before the office of the Registry within whose territorial limits the principal place of business in India of the applicant whose name is mentioned in the application is situated. Single application is enough for different classes of goods and services but fee shall be payable for the registration of a mark would be

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15 AIR 1972 SC 2488
16 According to Trade and Merchandise Marks, Act, 1958.
17 Supra note, 6.
18 Section 2(1) (e) of Trademarks Act, 1999, ‘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 characteristic from goods or services, not so certified and registerable as such under chapter IX in respect of those goods or services in the name, as proprietor of the certification trademark of that person’. 
19 Section 9(3) of Trademarks Act, 1999.
20 Sections 18 to 23 of Trademarks Act, 1999.
21 Section 7 of Trademarks Act, 1999.
accepted if the user or proposed user of the mark files the application and if the mark could be validly claimed. The registrar shall classify goods and services, in accordance with the international classification of goods or services for the purpose of registration of trademarks. He may publish an alphabetical index of classified goods and services. The registrar has the power to reject the registration if the mark claimed is not a valid mark to be registered. The registrar’s decision is final in case of dispute regarding the registration. The registrar before the registration of trademark may withdraw his acceptance on valid and reasonable grounds. Otherwise the application would be considered for the further process of registration.

Advertisement of the accepted application

The registrar after the acceptance of the application advertises it in the prescribed manner, which will provide an opportunity to the person who has opposition to the registration. Persons opposing the registration may within three months from the date of advertisement serve a notice on the registrar in the form of application along with prescribed fee. The registrar should serve a copy of the notice of objection on the applicant. It confers an opportunity to the applicant to file counter statement, which he should within two months from the date of receipt of copy of such notice of opposition. If the applicant for registration does not send a counter statement, he is deemed to have abandoned his application. A copy of the counter statement should be served on the person giving notice of opposition. The Registrar should conduct hearing of the parties and on the basis of the points of evidence produced in the hearing decision should be made.

Grounds for Refusal for Registration

According to the trademarks law grounds for refusal for registration can be divided into two headings s absolute grounds and relative grounds. The following grounds are considered as absolute grounds for the refusal of the registration of a mark:

i. Trademark is devoid of any distinctive character;

ii. Trademark consists exclusively 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 characteristic of the goods or services; and

iii. Trademark consists exclusively of marks or indications which have become customary in the current language or in the bonafide and established practices of trade.

Registration of a mark and its effect

Where the application has not been opposed or if opposed decided in favour of the applicant, the Registrar registers the trademark by issuing a certificate to that effect. It is well established that a person can become proprietor of a trademark either by virtue of its use or by its registration. Though, the registration of trademarks under the trademark law is not compulsory, it is true that the registration of trademark is very much beneficial to the proprietor of the trademark. Registration confers exclusive right to use the trademark and registration is the prima facie evidence of the validity of the trademark. The registered proprietor of a trademark may institute proceedings either to prevent or to recover damages for the infringement.

Infringement and Passing-off Trademark

Registration confers exclusive rights on the part of the proprietor to use the mark. Without the consent or authorization of the proprietor no one can use the mark. Unauthorized use of the registered trademark amounts to infringement of the mark leading to violation of rights of the proprietor conferred on him through registration. In case of violation of rights, the registered proprietor of a trademark may institute legal proceeding against such violation. In case of unregistered marks the user of the mark can sue for passing-off. At this juncture it is very pertinent to know what constitutes infringement.

What are the yardsticks to measure infringement?

Infringement is an authorized use of the registered trademark. Without the consent or authorization of the owner if any one uses the registered mark commits infringement. Further use of a similar mark to the registered mark does also constitute infringement of the registered mark. In Atlas Cycle (Haryana) Ltd. V. Atlas Product Pvt. Ltd., the Atlas Cycle (Haryana) Pvt. Ltd.22 the question as to what constitutes infringement came to the forefronts of the Court. In this case the plaintiff was engaged in the business of manufacture of bicycles and their parts under one trademark. The plaintiff registered the trademark in 1952 and he is the registered proprietor of the trademarks. But latter the defendants infringed the mark by using the trade name “House of Atlas” with respect to bicycles and bicycle parts manufactured by them. Justice D.K. Jain of Delhi High Court viewed it as an infringement and held that; even in conjunction with the words of ‘House of’ is likely to cause of confusion or deception in the minds of purchaser. Therefore, unauthorized use of mark or use of mark

22Section 27(2) of Trademarks Act, 1999.
similar to the registered trademark constitutes infringement. Following are the circumstances under which a person is deemed to have infringed a registered trademark:

1. Where a person uses a trademark which is identical or similar to the registered trademark used in the course of trade for the similar goods or services not being a 'registered proprietor' or 'permitted user' and cause confusion on the part of the public.
2. Where the registered trademark is used in the course of trade for the goods or services which are not similar, but has reputation in India and use of the mark by the person without due cause, takes unfair advantage of or is detrimental to the distinctive character or repute of the registered trademark.
3. Where a person who is not being duly authorized by the registered proprietor uses the trademark on a material intended to be used, for labelling or packaging goods, as business papers or for advertising goods or services.
4. Where a person uses registered trademark as his trade name or part of his trade name; or as name of his business concern or part of the name of his business concern dealing in goods or services in respect of which trademark is registered.
5. Where a person advertises a trademark, such advertising takes unfair advantage of and is contrary to honest practices in industrial or commercial matters, or is detrimental to distinctive character or is against the reputation of the registered trademark.
6. Where the distinctive elements of registered trademark consists of or includes words, the trademark may be infringed either by spoken use of those words or visual representation of those words.

Passing –off of the Registered and Unregistered Trademarks

Earlier when there was no trademark law to provide for the registration and protection of trademarks the proprietor of an unregistered trademark was protected under the common law of torts. Such protection was given not only for unregistered trademark but also for registered trademark.23 Common law offers protection through passing-off action. Passing-off action depends upon the simple principle that nobody has any right to represent his goods as the goods of somebody else. In Jolen Inc. V. Doctor and Co., 24 the plaintiff was using trademark ‘JOLEN’ for crème bleach writes the JOLEN. Since the mark is not registered in India the Delhi High Court held it as passing-off and passed a decree to restrain the use of trademark JOLEN in India by the defendant. Therefore, in case of unregistered trademarks action against passing-off is the proper channel to obtain remedies.

Remedies for Infringement or Passing-off

Remedies are made available in case of infringement or passing-off in order to compensate the loss suffered by the registered owner of the mark or the user of the mark. Trademark law in case of registered trademarks offer certain remedies. A person who is aggrieved either by infringement or by passing-off may obtain following remedies through filing a suit in the court of law. The proprietor or user of a valid trademark can obtain following remedies.

Injunction

It is an important sort of remedy and is effective in preventing the infringement of registered trademark or passing-off the unregistered trademark. It involves an order by the Court prohibiting the infringer or unauthorized user from using the mark. It is infringer or measure to prevent a person from encashing the reputation and goodwill earned by the other. In Mahendra and Mahendra Paper Mills Ltd. V. Mahindra and Mahindra Ltd., 25 the Supreme Court upheld the injunction order granted by the High Court in favour of the plaintiff in which the defendant was restrained from the use of trade name “Mahendra and Mahendra”. Since the trade name “Mahendra and Mahendra” used by the defendants is deceptively similar (in phonetically, visually and structurally) to the trade name “Mahindra and Mahendra”, the trade name of the plaintiff. In Bata India Ltd. V. M/s Pyrelal and Co., 26 the Bata India Ltd., which is famous for its own kind of articles and its name ‘Bata’ has earned reputation all over. But, the M/s Pyrelal and Co. Started using the trade name ‘bata’ for mattresses, sofa cushions and other articles. The Allahabad High Court granted injunction order in favour the plaintiff and restrained the defendant from using the trade name ‘Beta’ even for those goods, which were not similar to the goods with which the well-known trade name ‘Bata’ is associated. According to the above decision usage of similar mark even on different goods and services is not allowed.

23 ICC Development (International) Ltd. V. Arvee Enterprises, 2003 (26) PTC (Del)
24 2002(24) PTC 29 (Del)
25 2002 (24) PTC 121 (SC)
26 AIR 1985 ALL 242
**Damages**

Damages is another kind of remedy made available to the proprietor or user of the trademark. Damages could be granted to the owner or user of the mark if the infringer without his consent or authorization uses his mark. Damages serve the purpose of compensating the proprietor or the user the loss that he has suffered due to such unauthorized use. Damages could be awarded to compensate the plaintiff for the legal injury caused by the defendant. The quantum of damages will be decided by the court taking into consideration the reputation that the mark, the business of the proprietor or the user and the length of the course of infringement. Damages are the notional compensation paid to the plaintiff by the order of court from the defendant irrespective of the actual amount of loss suffered by the plaintiff.

**Accounts of Profits**

Court may award accounts of profits to measure the actual benefit that the infringer has gained due to the unauthorized use. The actual profits, which the defendant has made by infringing the legal rights of the plaintiff, will be measured. Though this is not compensatory should be given to the plaintiff. Court may award damages also along with accounts of profit as a measure of punishment or penalty on the infringer for using the mark without the authorization of the proprietor or the user.

**Conclusion**

Trademarks are considered as a form of intellectual property. Hence trademarks could be sold, purchased, assigned, and licensed in the lines of any other property. The very different feature of the trademark is that it is a symbol of goodwill. So the transfer of trademark requires much care and caution than that of the transfer of other properties. It is a very valuable asset in the field of business since it involves goodwill, reputation and the market. Reputation and goodwill could be earned only through hard work for years. Here we can appreciate the importance of trademarks by remembering the words “this hard-earned right is as important as money in the bank”. Hence, people are willing to invest large sums of money to acquire, assign or license trademarks. The courts and the law in the interest of the business worlds as well as the consumer have always safeguard protection of trademarks. The reforming of the laws with respect to trademark to meet the challenges of the technological business world is very much required and the same has been guaranteed by the international agreements like the TRIPS agreement.

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