

India

Contributing firm
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1. Legal framework

Trademarks in India are protected through a combination of both specific statutes (eg, the Trademarks Act 1999) and ancillary legislation incorporated under the provisions of allied acts such as the Customs Act 1962 and the Companies Act 1956.

The Trademarks Act and the Trademarks Rules 2002 prescribe a procedure to be followed under the Trademarks Act and before the Trademarks Office. In the case of civil proceedings initiated before the courts, the provisions of the Code of Civil Procedure 1908 apply, while in the case of customs recordal, the provisions of the Intellectual Property Rights (Imported Goods) Enforcement Rules 2007 apply. Where words, trademarks or names are used in a company name, the Companies Act 1956 applies alongside the rules prescribed under the provisions of the act. Criminal enforcement cases involve the Indian Penal Code 1860. Additionally, certain guidelines also prescribe the use of trademarks in India. Some of these are government guidelines, while others emanate from regulators such as the Advertising Council. In some cases, unique pieces of legislation, such as the Emblems and Names (Prevention of Improper Use) Act 1950, also apply.

In summary, India offers a fairly robust and well-defined legal framework that is aptly supported by a progressive judicial system; the Indian courts have taken the lead in issuing landmark decisions on issues including:

- the recognition of trans-border reputation and goodwill;
- the applicability of domain name trafficking, metatagging, hyperlinking, phishing and related issues; and
- issues relating to conflicts between company names and trademarks, including – in some cases – issues of corporate governance and public representation before Customs.

The courts have also issued groundbreaking rulings concerning the definition and enforcement of advanced remedies in line with modern business practices and decisions around the world.

2. Unregistered marks

In India an unregistered trademark is entitled to protection under the tort of passing off. Section 27(2) of the Trademarks Act expressly provides for an action for passing off. Further, Section 103 allows the institution of proceedings against an infringer or counterfeiter for a criminal offence.

In the case of passing off, the burden of proving that the trademark belongs to the plaintiff and that there exists a risk of confusion and/or deception as to the origin of the product or service to which the mark applies lies with the plaintiff. Usually, the Indian courts prefer evidence, such as sales or advertisements, pertaining to India – although the courts have come a long way in terms of recognising trans-border reputation and goodwill as a basis for enforcing rights. Certain recent rulings have even taken cognisance of the knowledge and awareness of a mark that is specific to an industry (eg, pharmaceuticals or software), stating that even in the absence of any physical use in India, knowledge and awareness of a mark or business could be attributed and enforced against dishonest use. For example, in the context of pharmaceuticals the Supreme Court of India held in *Milment Oftho Industries v Allergan Inc* (2004 (28) PTC 585) that whoever is the first entrant in the market has the right in the mark; the court even considered the word ‘market’ to extend to the global market.

In many cases, advertising of a mark or business has also been used as a basis for asserting rights and signifying intent to do business in India.

At the same time, the courts have also taken a view that the mere filing of an application for registration of a trademark, or a registration *per se* (if granted in India), does not prove use, as recently observed in *Marico v Agrotech* (2010 (43) PTC39 (Del)).

The courts have also taken into account the ability of the plaintiff to enforce rights in the absence of a recordal of assignments and devolution of title based upon the execution of title documents.

Use of a later mark and taking unfair advantage of an earlier mark give statutory recognition to the modern concept of dilution

of trademark. Dilution is sometimes divided into two related concepts: blurring and tarnishment.

In *Caterpillar Inc v Mehtab Ahmed 2002* ((25) PTC 438 (Del)), the defendants were restrained from using the trademarks CAT and CATERPILLAR in relation to footwear as the court viewed such use as amounting to dilution, tarnishment and blurring of the plaintiff's trademark. The court recognised that trademarks are invented, arbitrary, suggestive, descriptive or generic. It further held that no evidence of use is required to register or protect the first three types of mark.

In *Daimler Benz Aktiengesellschaft v Hybo Hindustan* (AIR 1994 Del 239), the Delhi High Court restrained the defendants from using the trademark BENZ in relation to undergarments in circumstances where there clearly would be no likelihood of confusion between automobiles and undergarments.

Particular emphasis has been given to these two cases as both preceded the implementation of the Trademarks Act 1999 under which, for the first time, the statute itself provides against dilution or blurring of well-known marks. This is a clear example of judicial lead in India.

3. Registered marks

The provisions of the Trademarks Act clearly allow for an action based upon infringement. This is contemplated in Sections 29 and 30 of the act. Unlike passing off, in an infringement action there is hardly any burden on the plaintiff since entitlement is already established through registration in India. However, an infringement action does not lie against a prior user; this implies that the Indian courts attach a greater degree of importance to prior use (in many cases, including prior international use) than to prior registration.

As a party to the Paris Convention for the Protection of Industrial Property, India allows a convention priority application to be filed within six months of the filing of the application in the convention priority country; this entitles the applicant to rights in the mark from the date of the convention priority

application rather than from the filing date in India.

4. Procedures

Examination

The registrar examines the mark and, through a consolidated examination report, may communicate to the applicant any objections to the mark. These mainly relate to filing requirements or the substantive requirements for registrability. Usually examinations themselves do not result in outright refusals; instead they allow the applicant to file a claim to contest or seek a hearing.

Opposition

Opposition can be filed within four months of notification of a mark in the *Trademark Journal*. The law allows any person to oppose. Thus, not only the owner of an earlier registered trademark but even a customer, purchaser or member of the public may object to the registration of a trademark on the grounds of possible deception, confusion, dilution or descriptiveness. Oppositions are decided on pleadings and evidence – the latter being led through affidavits with supporting documents.

Registration

If the opposition is dismissed, the mark then proceeds to registration and is published in the *Trademark Journal*. The applicant may, at any time during the opposition proceeding, withdraw the application. Section 91 of the Trademarks Act provides for an appeal against an order or decision of the registrar to the IP Appellate Board.

Searches

No proprietor search is available in India and searches can be conducted only on the basis of a trademark in a particular class. The Trademarks Registry is currently digitising all its records, after which the provision of proprietor search may be available.

The failure to conduct a trademark search could lead to the assessment of dishonest adoption and could be used against a party in a contested matter.

5. Enforcement

Emerging trends

Damages and other reliefs: Until 2005 the only remedy available to the plaintiff in an action for infringement or passing off was an order of injunction (interim or final) and, in some cases:

- damages and/or costs;
- delivery up of infringing stock of goods; and/or
- rendition of accounts of profit.

In some other cases, the plaintiff could also seek an order for the appointment of a court commissioner to visit the defendant's premises in order to:

- search and seize all infringing goods that may be found in the power and possession of the defendant; and
- seal the defendant's premises (ie, Anton Piller injunction).

Another relief was an order for freezing the defendant's assets or books of accounts pending adjudication (ie, Mareva injunction).

However, since 2005 the Indian courts have taken an aggressive stand against infringement by awarding damages, particularly in cases relating to either knockoffs or the violation of well-known trademarks. In *Microsoft Corporation v Vahi* (CS (OS) 817/2004), the Delhi High Court came to the view that the mark MICROSOFT had become well known in the software market, as well as in the minds of consumers. Accordingly, the court awarded \$52,511 in damages to the plaintiff. Leading cases on damages in India also include the following:

- *Time Incorporated v Shrivastava* (2005 (30) PTC 3): The court held that the 'red border' design is distinctive and directly associated with the magazine of the plaintiff. Consequently it awarded punitive damages of \$111,111 and compensatory damages of \$111,111, with a further \$133,333 in interest. This was the first Indian case on damages.
- *Tata Sons Limited v Fashion ID* (2005 (30) PTC 182 Del): The court awarded approximately \$2,222 for the infringement of the plaintiff's registered domain name 'tatainfotecheducation.com'.

- *LDS Lal v Das* (2007 (35) PTC 693 Del): The court awarded compensatory damages worth \$55,555 and punitive damages to the same amount, stating that in addition to compensatory damages, punitive damages should also be awarded to serve as a deterrent to infringers.
- *Hilton International Company v Kumar* (Suit 2015/2003): Taking the trend of awarding punitive damages further, the court in this case not only permanently restrained the defendant from using the trademark HILTEN in respect of its hotel business, but also granted damages of \$58,975 to the plaintiff.
- *Cartier International BV v M/s Cartier Enterprises* (CS (OS) 1208/2003): The court awarded \$111,111 in punitive and exemplary damages in this trademark infringement case.

Customs actions: As counterfeiting and piracy have become the objects of increasing concern, the Indian government has recognised the need for IP rights protection at its borders as a key defence against infringement. Under the Intellectual Property Rights (Imported Goods) Enforcement Rules 2007, titleholders may register their IP rights with the customs authorities to safeguard themselves against imports of counterfeit goods, and allow Customs to take *suo moto* action against such imports. Sunglasses company Ray Ban filed the first notice under the new rules in order to prevent the import of counterfeit sunglasses into India. In *Cisco Technologies v Shrikanth* (IA 3725/2005), the court held that the authorities must prohibit imports that would result in, or abet, the violation of a rights holder's proprietary interest.

John Doe orders: The judiciary's approach to counterfeiting cases shows a trend towards the increasingly frequent granting of John Doe orders upon the establishment of a strong *prima facie* case. Thus, in *Ardath Tobacco Company Limited v Bhai* (CS (OS) 141/2004), *The Lance Armstrong Foundation Inv v Bagga* (CS (OS) 729.2006) and *Polo Ralph Lauren Company v Dharmendra* (CS (OS) 667/2006), the court granted injunctions restraining named and known defendants along with infringers whose whereabouts were unknown

at the time of the institution of the suit.

CPUs: Counterfeit purchase undertakings (CPUs) are used increasingly often to reduce costs, avoid litigation and ensure certainty. The rights holder's lawyers or representatives personally confront a counterfeiter or wrongdoer, and serve a cease and desist letter upon a retailer which has just sold some counterfeit goods. The retailer must agree to comply with the undertaking or run the risk of legal action.

Plea bargaining: One of the distinguishing trends that the courts have been following is to settle IP infringement matters by way of plea bargaining. In *State v Prakash* (FIR 189/05 (Del)), a case involving steel buckets bearing the mark TATA, the court settled the matter by way of plea bargaining following which the accused parties paid a fine of \$222 each.

Unique orders: Where the defendants are incapable of paying damages to the plaintiffs, the courts have tactically decreed suits and passed unique orders ensuring effective deterrence to the defendants. In *Polo Ralph Lauren Corporation v Arora* (CS (OS) 1354/2006), the plaintiff sued the defendants for the infringement of well-known marks such as POLO and RALPH LAUREN. The court ordered the defendants to do 50 hours of community service. In *Dharampal Premchand v Tata Zarda Factory* (CS (OS) 2/2006), which concerned a trademark for tobacco-based products, the court ordered the defendants to install 50 spittoons in a cancer hospital.

In the case of foreign plaintiffs whose marks enjoy no direct use in India, spill-over reputation may be adequately recognised by the courts where the foreign plaintiff's mark is protected against dishonest use in India through the demonstration of international use and reputation in a manner that can result in the foreign mark acquiring a reputation and goodwill in India. The following rulings illustrate this trend:

- *Alfred Dunhill v Makkar* (1999 PTC 294);
- *NR Dongre v Whirlpool Corporation* ((1996) 5 SCC 714); and
- *MIV Holding mbH v Mistrale Publishing Pvt Ltd* ((2005) (30) PTC 377 (Del)).

Restraints even where products are restricted: The court in *Playboy International*

Incorporated v Malik (2001 PTC 328 (Del)) came to the conclusion that the mark PLAYBOY had become exclusively associated with the plaintiff thanks to extensive use all over the world, even if the products under the said mark are banned in India.

Parallel importation: The attempts made by the judiciary to combat parallel importation are commendable. In *Samsung Electronic Co Ltd v Lalani* (CS (OS) 1600/2006), the court restricted the parallel import of goods relying on the doctrine of material differences under trademark law, whereby substantial differences – physical or non-physical (eg, the absence of warranty, insufficient instructions or inadequate labelling) – are considered material differences and, therefore, legitimate reasons for banning parallel imports.

Scope of protection

The definition of 'trademark' as contemplated in the Trademarks Act is an inclusive one. As a matter of practice, non-conventional trademarks are now granted registration. For example, the Yahoo! yodel is protected in India as a sound mark. Combinations of colours can also be protected. However, it is still debatable whether a single colour would be granted protection, while the status of gesture marks remains unclear. This is because, while such marks may qualify for registration if represented graphically, their enforceability will depend on the degree of violation. This, of course, does not take away from any enforceability through an action for passing off.

Three-dimensional marks, shape marks and texture marks: These marks are registrable and enforceable. In *Zippo v Moolchandani* (CS (OS) 1355/2006), the Delhi High Court extended trademark protection to the shape mark ZIPPO based upon a shape mark registration. In *Louis Vuitton v Malik* (CS (OS) 1825/2003), Louis Vuitton brought a case for violation of its EPI STYLE trademark and surface pattern before the Delhi High Court. The court issued an *ex parte* interim injunction and Anton Piller order against the defendant.

Trade dress: In *William Grant v McDowell* ([1994] FSR 690 (Del)), the label of the defendant incorporated all the essential features of the plaintiff's label deliberately

and dishonestly, with the intention of creating a similarity between the products of the plaintiff and those of the defendants so as to confuse the purchasers and consumers. The court restrained the defendants from using the plaintiff's label and held that such use amounted to infringement. Also, in *Colgate Palmolive Co v Anchor Health and Beauty Care Pvt Ltd* (108 (2003) DLT 51), the red and white colour scheme of the Colgate toothpaste was protected against its use by the defendants as part of the latter's COLLEGIATE mark.

Well-known marks: The Trademarks Act clearly stipulates grounds under which the mark may be considered well known. These are detailed in Section 11(6) and include, among other things:

- the knowledge or recognition of that trademark in the relevant section of the public;
- the duration, extent and geographical use, promotion or registration of the trademark; and
- the record of successful enforcement of the trademark.

Prior to the implementation of the Trademarks Act 1999, courts protected trademarks in relation to unrelated goods. Thus, in *Kamal Trading Co v Gillette UK Ltd* (1988 PTC 1), the court restrained the use of the mark 7 O' CLOCK with respect to toothbrushes, even though the mark had been registered for blades. This is because the mark was well known in the market. The court observed that the goods were sold across the same counter, and that use of that mark for toothbrushes would lead to confusion.

In *Aktelebolaget Volvo of Sweden v Valvo Steels Ltd of Gujarat* (1998 (Suppl) Arb LR 627), the court granted an injunction against the use of the name Volvo as part of the corporate name of the defendants. The court held that it was not essential that a common field of activity be established.

In *Banga Watch Company v NV Phillips* (AIR 1983 P&H 41), the court held that the use of the mark PHILLIPS with respect to time pieces and wall clocks amounted to passing off on the grounds that both types of good were available across the same counter.

Over the past few years, both the Indian

courts and the Trademark Office have held an increasing number of marks (eg, TOSHIBA, PLAYBOY, SUN MICROSYSTEM, TATA, BABA, FORD, BATA, DUNHILL) to be well known in India. Consequently, these marks have been granted protection against unrelated goods.

In *Tata Sons Ltd v Chowdhary* (CS (OS) 842/2002), the Delhi High Court granted damages of \$22,222 against the defendants, holding that the use of the mark TATA, which is well known, leads to confusion and deception.

6. Ownership changes and rights transfers

Assignment

A trademark, either registered or unregistered, can be assigned. There are certain restrictions on assignment and transmission in order to prevent the creation of multiple exclusive rights.

In *Astrazeneca UK Ltd v Orchid Chemicals and Pharmaceuticals Ltd* (2006 PTC 733 (Delhi)), *Grandlay Electricals (India) Ltd v Batra* (1998 PTC 18 (Delhi)) and *Sun Pharmaceuticals Industries Ltd v Cipla Ltd* (2009 (39) PTC 347 (Del)), the courts have ruled that so long as a trademark has been assigned, the fact that it is pending registration will not preclude the claimant from bringing an action for either passing off or infringement.

Licensing

India is a signatory to the Agreement on Trade-Related Aspects of Intellectual Property Rights, which, in Article 39, mandates that member countries must ensure protection of undisclosed information. To date, no law has been enacted to protect trade secrets in India. Under common law, breach of confidentiality exists as a tort, irrespective of contract, and by a non-disclosure agreement under contract law. For instance in *Brady v Chemical Process Equipments P Ltd* (AIR 1987 Delhi 372), there was no contract between the parties; the plaintiff supplied the defendant with technical material, specifications and drawings under conditions of confidentiality. The court held that confidentiality was implicit in the arrangement and restrained the defendant from manufacturing products using the said information.

7. Related rights

It is possible for a single object to enjoy multiple IP protection – namely, as a trade secret, copyright, patent and/or trademark. The copyright and trademark regimes may both apply to the same item. Design registration and trademark registration may both be obtained for the same sign.

8. Online issues

The '.in' Domain Name Dispute Resolution Policy (inDRP) sets out the terms and conditions applying to disputes between the registrant of an '.in' domain name and a complainant.

In its landmark ruling in *Yahoo! v Arora* (1999 (19) PTC 201 (Del)), the Delhi High Court held that a domain name serves the same purpose as a trademark and is hence entitled to the same protection. In *Satyam Infoway Ltd v Sifynet Solutions Pvt Ltd* (2004 (28) PTC 566 (SC)), the court held that while the original role of a domain name was no doubt to provide an address for computers on the Internet, the development of online commercial activities means that a domain name is also a business identifier.

In all, the legal framework for trademarks in India seems well balanced, notwithstanding some procedural delays. This is truly encouraging for brand owners. An amendment to the trademark procedures and efforts to make the registration of drug names and company names mandatory are being debated. These measures would help rights holders enforce their rights against the use, or even registration, of such signs by third parties.

Unregistered rights Protection for unregistered rights?	✓
Specific/increased protection for well-known marks?	✓
Examination/registration Representative requires a power of attorney when filing? Legalised/notarised?	✓ / ✗
Examination for relative grounds for refusal based on earlier rights?	✓
Registrable unconventional marks	Shapes, sounds ✓
Opposition Opposition procedure available? Term from publication?	4 months ✓
Removal from register Can a registration be removed for non-use? Term and start date?	5 years 3 months from registration ✓
Are proceedings available to remove a mark that has become generic?	✓
Are proceedings available to remove a mark that was incorrectly registered?	✓
Enforcement Specialist IP/trademark court?	IP Appellate Board ✗
Punitive damages available?	✓
Interim injunctions available? Time limit?	✓
Ownership changes Is registration mandatory for assignment/licensing documents?	✗
Online issues National anti-cybersquatting provisions?	✗
National alternative dispute resolution policy for local ccTLD available?	inDRP ✓