

# TRADEMARK PROTECTION IN INDIA WITH SPECIAL REFERENCES TO UNREGISTERED TRADEMARK USE

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## **Abstract:**

Today trademark plays very 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 protection 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'.<sup>1</sup>

## **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 device, 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

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<sup>1</sup>Wadehra, B.L., (2000), Law relating to patent Trademarks Copyright Designs and Geographical Indications, Delhi: Universal Law

capable of being represented graphically.<sup>2</sup> 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.’<sup>3</sup> 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 mark<sup>4</sup> or permitted user, to use the mark whether with or without any indication of the identity of that person.<sup>5</sup>

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.<sup>6</sup> 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.<sup>7</sup> Though the trademark defined under the Act is very wide, it can be stated in short that Trademark is visual symbol used in relation to any goods or services to indicate some kind of trade connection between the goods or services and the 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.<sup>8</sup>
- d) **Label:** It refers to a composite mark containing various features including devices, words and

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Section 2 (1) (zb) of Trademarks Act of India, 1999.

<sup>3</sup> World Intellectual Property Organization

<sup>4</sup> In relation to chapter XII (other than section 107) of the Trademarks Act of India, 1999

<sup>5</sup> In relation to the other provisions of the Trademark Act, 1999.

<sup>6</sup> Section (1) (j) of Trademark and Merchandise Act, 1958.

<sup>7</sup> Section 2(1) (m) of Trademarks Act, 1999.

<sup>8</sup> Section 80 of Trademarks Act, 1999.

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.<sup>9</sup>
- 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. 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

The law of trademark in India before 1940 was based on the common law principles of passing off and equity as followed in England before the enactment of the first Registration Act, 1875.<sup>[3]</sup> The first statutory law related to trademark in India was the Trade Marks Act, 1940 which had similar provision like the UK Trade Marks Act, 1938. In 1958, the Trade and Merchandise Marks Act, 1958 was enacted which consolidated the provisions related to trademarks contained in other statutes like, the Indian Penal Code, Criminal Procedure Code and the Sea Customs Act.<sup>[3]</sup> The Trade and Merchandise Marks Act, 1958 was repealed by the Trade Marks Act, 1999 and is the current governing law related to registered trademarks.<sup>[3]</sup> The 1999 Act was enacted to comply with the provisions of the TRIPS. Though some aspects of the unregistered trade marks have been enacted into the 1999 Act, but they are primarily governed by the common law rules based on the principles evolved out of the judgments of the Courts.<sup>[3]</sup> Where the law is ambiguous, the principles evolved and interpretation made by the Courts in England have been applied in India taking into consideration the context of the legal procedure, laws and realities of India.<sup>10</sup>

<sup>9</sup>*Kirloskar Diesel Recon v. Kirloskar Proprietary*  
(1996) IPLR Bom 284 at 307.

<sup>10</sup> Narayanan, pp. 4-5

### 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 Shah*<sup>14</sup> 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 case *Sumant Prasad Jain v. Shajahan Prasad and State of Bihar*<sup>15</sup> identifies itself with its proprietor but also with the qualities of the goods with which it is associated.

### Later Mark Likely to be Prevented from Use(Unregistered)

Section 11 (3) is a new path breaking provision and reads as follows-

A Trade mark shall not be registered if, or to the extent that, its use in India is liable to be prevented.

- (a) By virtue of any law in particular and law of passing off protecting an unregistered Trade Mark used in the course of Trade, or
- (b) By virtue of law of copyright.

Section 11 (3) may be invoked by proprietor of earlier Trade Mark when the use of later Trade Mark would be prevented in India by virtue of (i) any law in particular the law of passing off protecting an unregistered Trade Mark or (ii) by Indian law of copyright. This type of phraseology or language appears to subsume or give sanction to the concept of trans boarder reputation which was evolved by Indian courts to protect reputed foreign marks whether registered or unregistered in India. The law of passing off protecting unregistered Trade Mark is also available to proprietors of registered marks. Protection by passing off may be claimed by registered marks when the similar later mark is liable to be prevented by virtue of the law of copyright, section 11 (3) has an application.

### Honest and Concurrent Use

Under Section 12 the Registrar may permit the registration to more than one proprietor of the trademarks which are identical or similar, irrespective of an earlier registration in respect of one of them, on the ground of honest and concurrent use or other special circumstances.

In **Gupta Enterprises V. Gupta Enterprises**<sup>3</sup> the court allowed registration of the trade mark “MBS” on the ground that there was no complaint from public in relation to the goods under the rival marks even after the user of mark for 25 years and there was nothing to suggest that the user of the trade mark was not innocent, honest and bona fide.

### **Names of Chemical Elements or International Non- Proprietary Names not Remittable**

No word, which is commonly used and accepted name of any single chemical element or any single chemical compound (as distinguished from a mixture) in respect of a substance or preparation, or which is declared by the World Health Organisation and notified in the prescribed manner by the Registrar from time to time, as an international non-proprietary name or which is deceptively similar to such name, shall be registered as a trademark.<sup>4</sup>

### **Names and Representations of Living Persons or Persons who Recently Died**

Where an application is made for the registration of a trademark which falsely suggests a connection with any living person, or a person whose death took place within twenty years prior to the date of application for registration of the trade mark, the Registrar may, before he proceeds with the application, require the applicant to furnish him with the consent in writing of such living person or, as the case may be, of the legal representative of the deceased person to the connection appearing on the trade mark, and may refuse to proceed with the application unless the applicant furnished the registrar with such consent.<sup>5</sup>

### **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.<sup>23</sup> 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.*,<sup>24</sup> 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.,<sup>11</sup> 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 Mahindra”, the trade name of the plaintiff. In Bata India Ltd. V. M/s Pyrelal and Co. <sup>12</sup>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 wellknown trade name ‘Bata’ is associated. According to the above decision usage of similar mark even on different goods and services is not allowed.

### **PROTECTION OF UNREGISTERED TRADE MARKS IN INDIA: PASSING OFF ACTION**

The action against passing off is based on the principle that “a man may not sell his own goods under the pretence that they are the goods of another man.” (N. R. Dongre v. Whirlpool Corporation, (1996) 5 SCC 714) Passing off is a species of unfair trade competition by which one person seeks to profit from the reputation of another in a particular trade or business. A passing off action is a direct subject matter of the law of tort or common law of right, i.e. case law. The Trade and Merchandise Marks Act, 1958 does not define passing off, but only provides the rules of procedure and the remedies available. An action for infringement, which is a statutory right, is dependent on the validity of the registration of the mark. Unlike infringement, passing off is not a proprietary right in the name or the get-up, which has been misappropriated by the defendant. It is a wrongful invasion of a property right vested in the plaintiff. A passing off action is, therefore, independent of a statutory right and is established by evidence of reputation and goodwill of the business. (Harrods v. Harrodian School, (1996) RPC 697, as cited in P. Narayanan, Law of Trade Marks (Trade Marks Act, 1999) and Passing Off (5th ed.) 500) In a passing off action, the registration of the trade name or a similar mark is irrelevant. Here, the priority in adoption and use of trade mark is superior to priority in registration. (Kishore Zarda Factory (P) Ltd. v. J.P. Tobacco House, AIR 1999 Delhi 172).

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<sup>11</sup>0020 2002 (24) PTC 121 (SC)

<sup>12</sup> AIR 1985 ALL 242

“By catena of decisions it is now settled that a prior user of trade mark has rights even over a later registered user..... [n]o injunction can be issued against a prior user of the trade mark in a passing off action.” (M/s. Senor Laboratories Ltd. v. M/s. Jagsonpal Pharmaceuticals Ltd., AIR 1999 Delhi 102)

### **Literature Review:**

Narayanan P., 2004, Law of Trade Mark and Passing off , Eastern Law house, Kolkata, With the fast-growing computer technology, internet, information storage through computer databases, cyberspace and information technology, the laws relating to Patents, Designs, Trade Marks, Copyrights, Confidential Information, Industrial & Trade Secrets and Know-how, have undergone revolutionary changes, on our Parliament passing the Trade Marks Act 1999, the Geographical Indications of Goods Act 1999, the Designs Act 2000, the Information Technology Act 2000, the Semiconductor Integrated Circuits Layout-Design Act 2000 and the Patents (Amendment) Acts of 2002 & 2005.

**Kerly, Law of Trade Mark & Trade Marks, 2005**, Sweet & Maxwell, London Provides full explanation of the UK law of trade marks and trade names. Covers classification, registration (UK & European), different types of marks, enforcement, infringement and litigation. Includes coverage of assignments. Goes through licensing, merchandising and franchising. Deals with infringement and available remedies. Looks at mediation and arbitration in the context of trade marks. Incorporates recent legislative change such as the Trade Marks Regulations 2008, the Trade Marks (Earlier Trade Marks) Regulations 2008 and the Community Trade Mark (Amendment) Regulations 2008.

**Narayanan P., Trade Mark, Trade Name & Passing off Cases, 1997**, Kolkata, Eastern Law House The legal concepts and the principles expounded by the British Courts on Intellectual Property, during the last two centuries, covering Trade Marks, Trade Names and Passing off are of universal application and the textbooks and the law on the subject, throughout the world, are modelled on those English principles. In these two volumes the author has edited and digested about 1600 of such decisions chronologically with headnotes and resume of facts and summary of decisions making it a comprehensive reference work.

**Ries Al & Laura, The Origin of Brands, 2004**, Harper Collins publisher In their exciting new book, The Origin of Brands, the Rieses take Darwin's revolutionary idea of evolution and apply it to the branding process. What results is a new and strikingly effective strategy for creating innovative products, building a successful brand, and, in turn, achieving business success. Here, the Rieses explain how changing conditions in the marketplace create endless opportunities to build new brands and accumulate riches. But these opportunities cannot be found where most people and most companies look.

## Trademark Rules 2002

The models of this presentation are called as Trademark Rules 2002. Both Act and its game-plan of principles came to influence on September fifteenth 2003. trademark show 1999 and its trademark rules 2002 immediately oversee Indian Trademark Laws in India. Laws of trademarks depend on upon mannerism and beguiling similarity. On off chance that particular signs are vigorously utilized brand regard made by one individual will be uninhibitedly utilized by another. estimation of particular sign relies on upon courses of action volume and open relationship of sign with quality.

## Trademark (Amendment) Act, 2010

The Trademarks (Amendment) Bill was passed by Parliament and assented to by President on 21st September 2010. Trademarks (Amendment) Rules, 2013 have been made to give effect to Trademark (Amendment) Act 2010.

## Trademarks (Amendment) Rules, 2013 .

By notification dated eighth July 2013, Trademarks (Amendment) Act 2010 and Trademarks (Amendment) Rules, 2013 came into force. Trademarks (Amendment) Rules, 2013 came into energy to enable India to submit to Madrid Protocol. Madrid Protocol is direct, facilitative and down to earth system for selection of overall Trademarks. India's interest of tradition has enabled Indian associations to enroll their Trademarks in Member Countries of Protocol through recording singular application in one tongue and by paying one-time cost in one currency.

## 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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- *Section 2(1) (m) of Trademarks Act, 1999.*
  
- *Section 80 of Trademarks Act, 1999.*
- *Kirloskar Diesel Recon v. Kirloskar Proprietary*
- *(1996) IPLR Bom 284 at 307.*
- *Narayanan, pp. 4-5*
- *0020 2002 (24) PTC 121 (SC)*
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