

The salient features of the Indian Trademarks Act, 1999*

With the Trade Marks Act, 1999, being brought into force on September 15, 2003, India has made a step towards fulfilling its international obligations. Consequently, the Indian trademark law has now become fully compatible with the International standards laid down in the TRIPS Agreement. The New Act primarily consolidates and amends the old Trade & Merchandise Marks Act, 1958 and provides for better protection of goods and services.

The salient features of the New Act are the following:

Expanded definition for Trademark

The definition of Trademark has been expanded to encompass any mark capable of distinguishing the goods and services of one, from the goods and services of another and may include any mark capable of graphical representation including aspects of shape of goods, their packaging, and combination of colours. As a result, even well known designs can now avail protection under trademark law.

Service marks

One of the most significant additions in the New Act is the provision for Service mark registrations. It is a direct effect of the amplification of the definition of trademark to include services. It is now possible for business houses and individuals offering any kind of service to register their mark. The definition of services under the New Act is an inclusive one; therefore entities providing services of any description in connection with business, industrial or commercial matters can get their Service marks registered.

Altacit Global

Creative Enclave, III Floor, 148-150, Luz Church Road, Mylapore, Chennai – 600004.

Tel. 044 24984821 Tele-Fax: 044 42104341 Email info@altacit.com, Website www.altacit.com

© Sept 2003 M/s Global Business Solutions. The article is intended only to provide information and should not be construed as legal advice or authority.

Collective Marks

Collective mark, a new concept brought into the Act makes it possible for any 'Association' to get registration for its mark. Collective Mark is a trademark or service mark used, or intended to be used by the members of an association, indicating their membership in such Association. The Association is the owner of the mark and the members are the authorized users. For example, the Advertising Club of India can register its name and logo as collective marks and prohibit non- members from using or associating with the mark.

Well known trademarks

The concept of well-known trademark is a milestone of the new Act. This provision is adopted to accommodate the requirement of Art 16 of the TRIPS agreement. The Registrar as per the provisions of the New Act is enjoined not to register a mark that is confusing similar with a well-known trademark. The well-known trademark is a mark used over particular goods or services that has obtained sufficient recognition among the consumers using such goods or services. The conditions laid down for the determination of a well-known trademark are (1) Knowledge of recognitions, (2) Promotion of trademark, (3) Duration, extent and geographical area, (4) Registration and use. It should be noted that a trademark may be considered as a well known trademark even if it is not, registered in India or used in India, or if such an application is pending in India or the trademark is not well known in India to public at large. The Indian Trademark law has made a remarkable provision, setting out a detailed criteria for the identification of a well-known trademark in an area where international consensus is lacking.

Altacit Global

Creative Enclave, III Floor, 148-150, Luz Church Road, Mylapore, Chennai – 600004.

Tel. 044 24984821 Tele-Fax: 044 42104341 Email info@altacit.com, Website www.altacit.com

© Sept 2003 M/s Global Business Solutions. The article is intended only to provide information and should not be construed as legal advice or authority.

Single Register

The system of maintaining registration of trademarks in part A and part B is omitted. Only a single register will be maintained hereafter, thereby giving no room for discrimination between applicants, as was done formerly. All applicants are now given equal rights and opportunities.

Single application for registration under many class of goods

As one of the means to simplify and streamline the procedure of registration, it is now made possible to file one single application for registration of a mark in different classes of goods or services, instead of filing separate applications. This is expected to shorten the process of search of similar marks during registration.

Enhanced term of protection and renewal

One of the significant changes of the Act relates to the term of protection of trademarks. It is enhanced from the previous 7 years to 10 years. Renewal is possible before completion of 10 years in perpetuity.

Intellectual Property Appellate Board

An Appellate Board has been established having its national headquarters in Chennai. It is “roving in nature”, would have sittings in Kolkata, Mumbai, Delhi, Ahmedabad periodically depending upon the work demand. It will hear appeals from the decisions of the Registrar and decide on rectification applications. This facilitates speedy disposal of matters in addition to reducing the existing burden on the High Court, before which appeals used to lie under the old Act. It is interesting to note that the Board shall not be

Altacit Global

Creative Enclave, III Floor, 148-150, Luz Church Road, Mylapore, Chennai – 600004.

Tel. 044 24984821 Tele-Fax: 044 42104341 Email info@altacit.com, Website www.altacit.com

© Sept 2003 M/s Global Business Solutions. The article is intended only to provide information and should not be construed as legal advice or authority.

bound by the Civil Procedure Code; nevertheless it shall be guided by the principles of natural justice.

Associated goods and services

The New Act provides the registered proprietor who has a trademark over goods, a pre-emptive right over associated services and vice versa. Thus it prohibits any other trader from using the mark even over 'similar' goods or services. It therefore differs from the old Act, which only provided protection from imitation of the 'same' goods, thereby effectively enhancing the protection given to a mark.

Prohibition of use of trademark as a corporate name

The protection of trademark is extended to prevent any 'corporate' or 'business concern' from using some one else's mark as its trade name or name of its 'business concern', dealing in goods and services in respect of which the mark is registered.

Providing enhanced punishment for offences

To prevent the sale of spurious goods and falsification of trademarks, enhanced punishment is incorporated. Punishment will be a minimum of 6 months and can extend to 3 years and a fine of rupees 50,000 to 3 lakhs. It is a hope that this will act as a deterrent to the infringers. Further the New Act has made these offences cognizable in nature, meaning; the law enforcement agencies like the police can arrest the violators with out a warrant as they come to know of such activities as these are considered serious offences.

Altacit Global

Creative Enclave, III Floor, 148-150, Luz Church Road, Mylapore, Chennai – 600004.

Tel. 044 24984821 Tele-Fax: 044 42104341 Email info@altacit.com, Website www.altacit.com

© Sept 2003 M/s Global Business Solutions. The article is intended only to provide information and should not be construed as legal advice or authority.

Jurisdiction of courts enlarged

The jurisdiction of courts has been enlarged empowering them to grant ex parte injunction or other interlocutory orders relating to (i) discovery of documents, (ii) preserving the infringing goods or other evidence, (iii) restraining the offender from disposing off or dealing with the assets in a manner which may adversely affect the plaintiff's ability to recover damages, costs or other pecuniary remedies, thereby securing the trademark owner's right immediately and effectively.

Assignment of unregistered trademarks

The impending provision imposed on the unregistered trademark owners to assign their trademark with the goodwill of the business has now been removed. The present Act permits the unregistered trademarks owners to assign and transmit their marks even without the goodwill of the business.

Defensive registration omitted.

The previous Act enabled a trademark owner to register a mark in other classes as a defensive mechanism; the same is omitted. With the advent of the complimentary concept of Well-known trademark and the inherent right to secure registration in associated goods or services being recognized in the New Act, the need for this type of registration is no longer felt.

Widened definition of Infringement

The scope of bringing an infringement suit is widened. Representation of any mark in an advertisement by an unauthorized user constitutes infringement, provided such

Altacit Global

Creative Enclave, III Floor, 148-150, Luz Church Road, Mylapore, Chennai – 600004.

Tel. 044 24984821 Tele-Fax: 044 42104341 Email info@altacit.com, Website www.altacit.com

© Sept 2003 M/s Global Business Solutions. The article is intended only to provide information and should not be construed as legal advice or authority.

advertising takes unfair advantage or is contrary to honest practice of industrial or commercial matters; or it is detrimental to its distinctive character; or is against the reputation of the trademark. Any oral use of a word mark also constitutes infringement.

Miscellaneous provisions

The definition of ‘permitted user’ is enlarged to include unregistered licensees also, and the procedure for registration of ‘registered user’ is simplified. The final authority in matters relating to registration of Certification marks is shifted to the Registrar from the Central Government. The Act also extends the applicability of convention countries to include members of Group or Union of countries and Inter-governmental organizations such as members of the WTO.

Conclusion

On the whole the Trademarks Act, 1999 has removed the inconvenient provisions of the old Act and has fostered the rights of the traders and other service providers significantly. It also sends a warning to infringers. Surely, the New Act caters to the developments in trading and commercial practices, increasing globalization of trade and industry, the need to encourage investment flows and transfers of technology, need for simplification and harmonization of trademark management systems and gives effect to important judicial decisions. This legislation has been much awaited by the legal as well as the business community. At last the long lingering desire has been satiated.

X-----X-----X

***Prepared by Ms. Anuragini T.A & Ms. Shobana Komal – Research Associates at M/s Altacit Global, Strategic Consultants for Intellectual Property. The authors can be reached at info@altacit.com**

Altacit Global

Creative Enclave, III Floor, 148-150, Luz Church Road, Mylapore, Chennai – 600004.

Tel. 044 24984821 Tele-Fax: 044 42104341 Email info@altacit.com, Website www.altacit.com

© Sept 2003 M/s Global Business Solutions. The article is intended only to provide information and should not be construed as legal advice or authority.