

IP Hotline

September 16, 2003

NEW INTELLECTUAL PROPERTY LEGISLATIONS COME INTO FORCE

The Government of India has notified September 15, 2003 as the date for bringing into force the Trade Marks Act, 1999 (**TM Act**) and the Geographical Indications of Goods (Registration and Protection) Act, 1999 (**GI Act**) along with the setting up of the Intellectual Property Appellate Board in Chennai with benches at Ahmedabad, Delhi, Mumbai and Kolkata. With the bringing into force of the two new legislations, Indian law of Trade Marks, as well as Geographical Indications of Goods is fully compatible with the Agreement on Trade Related Aspects of Intellectual Property Rights (**TRIPS**). While the TM Act replaces earlier legislation, *namely*, The Trade and Merchandise Marks Act, 1958, the GI Act is a new legislation granting statutory protection to the Geographical Indications of Goods. The Appellate Board would hear the appeals from the decisions of Registrar of Trade Marks and Geographical Indications. The trade marks appeals, which are at present pending before various High Courts stand transferred to the Appellate Board.

TM ACT

Following are the some of the salient features of the TM Act:

- The **definition** of the term '**trade mark**' has been enlarged to include **shape of goods, packaging and combination of colours**.
- **Registration of service marks** has been introduced granting statutory protection to such marks. Under the 1958 legislation service marks were not registrable. Therefore, the protection available for service marks was by an action for "passing off". The classes of services are listed in **entry 35 to 42 in the Fourth Schedule of the Trademark Rules, 2002**. The classification is in line with the Nice Classification of Goods and Services.
- Registration of **Collective Marks** has been introduced. Collective marks will be **owned by an association**. The members of such associations will be allowed to use them to identify themselves with a level of quality and other requirements set by the association. Examples of such associations would be those representing accountants, engineers, or architects.
- Filing of **multi-class applications** has been allowed.
- The **term** of registration and renewal has been increased from seven years to **ten years**.
- The concept of "**well-known trade mark**" has been recognised. This would prohibit registration of a mark which is merely reproduction or imitation of a well-known mark - even in respect of different goods or services.
- Offences relating to falsification of trade marks and application of false trade descriptions has been made **cognizable**, i.e. Police can take cognizance of the complaint without obtaining order from the magistrate. Police are empowered to **search and seize goods or other instruments involved in committing an offence**. However, it will be mandatory for the police to obtain the opinion of the Registrar on facts involved in the offence relating to the trade mark. This requirement, however, is likely to delay the search and seizure procedure.
- The scope of definition of the term **infringement** has been widened. For instance, use of a registered trade mark as a **part of a corporate name** or use of a mark in **comparative advertising** if such advertisement is contrary to honest practices or is detrimental to its distinctive character, amounts to infringement.
- The provision of "**disclaimer**" has been done away with.
- The application fees in the Trademarks Rules, 2002 have been increased considerably. For example, the registration fee has been increased from Rs. 300/- to Rs. 2500/-.

GI ACT

The GI Act has been passed with the object of providing protection to a Geographical Indication, to any agricultural goods, natural goods or manufactured goods or any goods of handicraft or goods of industry including food stuff. Geographical Indications are indications, which identify a good as originating in a place where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin. Some more well known examples of geographical indications are "Champagne", "Bordeaux" and "Chianti", the first two being regions in France and the third, a region in Italy, all famous for their wines. In the Indian context, "Banarasi Saris", "Kolhapuri Chappals", "Lakhnowi Kurta", "Darjeeling Tea" are some of the examples.

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Under the TM Act the trade mark which exclusively consists of marks or indications which may serve in trade to designate geographical origin of goods or services cannot be registered. The purpose of a trademark is to denote the origin of the goods from a particular trader. In case of geographical name, the name would lead the consumer to believe that the goods originate from that place thus causing confusion and even deception.

Geographical Indication (**GI**) must satisfy two requirements:

- The territorial aspect and
- That a given quality, reputation or other characteristic should be essentially attributable to its geographical origin.

The GI Act provides for registration of GI and the Authorised User thereof who is able to bring an action based on this registration.

Rights conferred by registration:

Registration of a Geographical Indication confers the following rights on the registered proprietor and the authorised users:-

- Exclusive right to the use of the Geographical Indication in relation to the goods in respect of which Geographical Indication is registered.
- Right to obtain relief in respect of the infringement of the Geographical Indication.
- Two or more authorised users of a registered Geographical Indication have co-equal rights.

Classes: All the goods have been classified in different classes in accordance with the International Classification of goods for the purposes of registration of Geographical Indications.

Duration and Renewal : The registration of Geographical Indication is valid for a period of ten years, and may be renewed thereafter for further periods of ten years.

The registration of an authorised user is valid for a period of ten years or for the period till the date on which the registration of Geographical Indication in respect of which the authorised user is registered expires, whichever is earlier.

Prohibition of assignment or transmission etc. : The Geographical Indication law prohibits assignment, transmission, licensing, pledge, mortgage or any such other agreement in respect of a Geographical Indication.

Infringement: The Act also provides for infringement and passing off actions thus recognizing the common law right in a GI and includes civil as well as criminal remedies. Infringement has been defined to include unfair competition. In a civil suit the following reliefs are available: Injunction. discovery of documents. damages or accounts of profits, delivery-up of the infringing labels and indications for destruction or erasure.

Source:

- 1.Press Release of Ministry of Commerce, Government of India, Press Information Bureau, September 15, 2003.
 - 2.The Trade Marks Act, 1999; The Trade Marks Rules, 2002; Geographical Indications of Goods (Registration and Protection) Act, 1999.
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