Laws-Introduction 206

Trade Marks Act 208

Copyright Act 233

The Designs Act 247

Indian Penal Code 253

Drugs and Cosmetics Act 260

The Prevention of Food Adulteration Act 263

Consumer Protection Act 271

Laws Abroad 282

References 291

Chapter 4

LAWS GOVERNING IMITATION
LAWS GOVERNING IMITATION

"A cause is like champagne and high heels - one must be prepared to suffer for it.

- Arnold Bennett
(1867-1931)

LAWS

Introduction

"Too strong can mean too bad!" If a brand name becomes so successful and dominant that it is the only name consumers remember for a given product, a dangerous thing can happen. The name becomes accepted as a part of the language and the protection for it can be lost. Famous names that have lost their trademarks are names like Nylon, Aspirin, Cellophane and Escalator. Others that came dangerously close are Jell-O, Scotch, Xerox, Dalda and Formica.

Many of the common forms of protection for brands and brand names are based on laws. Therefore it is essential to know about these laws, how they do and don’t protect brands from being copied or stolen, and the technical interpretation of the legal words like infringement etc.

The more common problem is infringement of the intellectual property rights of brands by creating very similar sounding or looking names or icons in order to trade on the brand equity of a well-known brand. Companies have taken a more aggressive stance toward safeguarding their intellectual property rights and have come to recognise that trademarks do more than simply distinguish their offerings from those of competitors. Cohen (1986) notes that a trademark does not protect a product, it protects a product’s identification.
After liberalisation, a number of manufacturers have come on the scene. There is growth in commerce and this has resulted in the multiplication of products. The purchasers naturally wish to purchase the best goods but are confused between what is superior and what is inferior. Consumers are unable to decide what is original and what is imitated. Some of the main categories of packaged mass consumption consumer goods are facing the problems of counterfeits and pass-off.

Counterfeit and pass-off products pose a serious threat to health & safety. These consequences are more serious than loss of market share and revenue to the manufacturers of genuine products and can not be ignored. Food articles that are of dubious quality are the most serious threat to the existence and well being of all consumers. For e.g. the story of the mustard oil adulteration in several parts of the country (India) in 1999, is one example.

The Bureau of Indian Standards (BIS) has specified the various maximum allowable concentration levels of bacterial count in various cosmetic products in cfu/ml (Cfu= Colony forming units). The maximum allowable bacterial count is 1000 cfu/ml for shampoos. Keeping in mind the unhygienic conditions of manufacture and poor quality of counterfeit/pass-off products, it is more likely that microbial counts of products are higher than the recommended standard. Therefore, the counterfeit products are definitely harmful to consumers.

Counterfeit/ pass-off cosmetics may contain residues of industrial solvents and carcinogens, which may cause severe allergic reactions. Fake shampoos may cause excessive hair loss, cause reactions on the scalp, skin or eyes or can even weaken the immune system of consumers.

Use of counterfeit creams, balms, lotions or ingestion of fake medicines may lead to illnesses of various kinds, aggravate existing health problems and in the worst case may even lead to death. From the use of poor quality detergents, which are used by everybody to wash clothes, the consumers may suffer from ill effects such as rashes, infections or allergic reactions.

Thus, counterfeit and pass-off products infringe two of the consumer rights, namely
the right to be protected against marketing of goods which are hazardous to life and property;

• the right to be informed about quality, potency, purity and standard of the product against unfair trade practice.

Under the current legal system in India, there are a number of laws that empower consumers or consumer bodies or affected companies to take legal action against manufacturers or sellers of counterfeit and pass-off products (Box 4.1).

**Laws Governing Imitation**

- Trademark Act
- Copyright Act.
- The Design Act.
- Indian Penal Code.
- Drugs and cosmetics Act.
- The Prevention of Food Adulteration Act.
- Consumer Protection Act.

**Box 4.1**

**TRADE MARKS ACT**

**Introduction**

A consumer is duped if he buys a commodity presuming it to have originated from a certain identified source when actually it is not and later he finds the commodity substandard. In the process the reputation of trader suffers if spurious goods are sold as those originating from him. The interests of both the consumer and the trader can be saved if some definite symbol, which marks out the origin of goods from a definite trade source, is attached with the goods emanating from such source. Such symbol is called a trademark.

**Definition - Trademark**

A trademark is – “a name, symbol or other device identifying a product, officially registered and legally restricted to the use of the owner or manufacturer”.

208
Trademarks are words, names, symbols, brands, devices, headings, labels, tickets, signatures, letters or numerals or any combination thereof, used or proposed to be used by manufactures of goods to identify and to distinguish their goods from goods manufactured and sold by others. A person who sells his goods under a particular trademark acquires a sort of limited exclusive right to use the mark in relation to those goods.

For example, the trade mark ‘Lakme’ distinguishes the goods Lakme of Lever Company from those of say, the ‘Revlon’. The word ‘Revlon’ is a separate trademark which distinguishes goods of Revlon.

**Definitions of Trademark**

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Definition</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>A name or a symbol, which is put on a product to show that is, made by a particular producer. The symbol or name cannot be legally made by any other producer and the name or symbol cannot be legally use by any other producer</td>
<td>Keshav S. Dhakad (The Economics Times, July 29, 2000)</td>
</tr>
<tr>
<td>3.</td>
<td>Any visible sign or device used by a business enterprise to identify its goods and distinguish them from those made or carried by others. Trademarks may be words or groups of words, letters, numerals, devices, names, the shape or other presentation of products or their packages, colour combinations with signs, combinations of colours, and combinations of any of the enumerated signs</td>
<td>The New Encyclopaedia Britannica.</td>
</tr>
<tr>
<td>S.No.</td>
<td>Definition</td>
<td>Reference</td>
</tr>
<tr>
<td>------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>4.</td>
<td>The trademarks is a sign, mark, symbol, word or words which indicate the origin and ownership of an article as distinguished from the quality and which others have not the equal right to employ for the same.</td>
<td>Prof. Copeland</td>
</tr>
<tr>
<td>5.</td>
<td>A mark capable of being represented graphically and which is capable of distinguishing the good or services of one person from those of others and may include shape of goods, their packaging and combination of colours.</td>
<td>Section 2(1)(zb) of Trade Marks Act 1999.</td>
</tr>
<tr>
<td>6.</td>
<td>Well known trade mark - a mark in relation to any goods or services which has become so to the substantial segment which uses such goods or receives such services that the use of such mark in relation to other good or services would be likely to be taken as indicating a connection in the course of trade or rendering of services between those goods or services and a person using the mark in relation to the first mentioned goods or services.</td>
<td>The Trade Marks Act, 1999.</td>
</tr>
</tbody>
</table>

**Table 4.1**

Thus, as the brand is a word, name, design, sign or a combination of all, the trademark is a registered word or name or design or the combination of all. Hence, the point of difference is the registration under the TradeMarks Act which terms trademark a legal name.

The duplication or copying of brand is simple, as it is not a legal term. On the contrary, it is quite difficult to copy the trademark as legal actions can be taken against copying or duplication. The scope of brand is limited as it becomes a part of the trademark but the scope of trademark is vast. At the outset, we fix the brand, get it registered and the moment the registration process
is over, it is called the trademark. Thus all the trademarks are brand but all the brands are not the trademarks.

A rather long overdue provision in the Indian trademark laws was the statutory protection to famous trademarks. The new Trademarks Act, 1999 introduces this provision, on the same lines as in many other developed countries. This was essential as a trademark owner usually exhausts a considerable amount of labour, capital and time before his mark becomes a common household name. The new trademark law examines the following factors before elevating the status of a trademark to a “Well-known” trademarks:

- Knowledge and recognition of a trademark in the relevant section of the public, including knowledge through promotion.
- Duration, extent and geographical area of use and promotion of that trademark.
- Registrations in other countries, to the extent that they reflect the use or recognition of that trademark.
- The record of the successful enforcement of the rights in the trademark, leading to recognition of that trademark by a court or Registrar as well-known;

Additionally, the following privileges are also attached to well-known trademarks:

- Whether a trademark has been used or registered or applied for in India, inter alia, will not act as a condition precedent for determination of whether a mark is a well-known trademark or not.
- Every new trademark application for the registration of a trademark will be scrutinized to ascertain that it does not violate rights of any of the well-known trademarks.
- A mark shall not be refused registration, if, before the date of filing of the application, it is regarded as a well-known trademark.

The apparent advantages, which will accrue from this protection is that age-old Indian brands such as Tata, Godrej, Bajaj, Dabur et al. can now be protected as “well known trademarks”. The enforcement of well-known trademarks would become easy and quick in the courts and with the other enforcement agencies, which would, in the long run, bring down the level of counterfeiting of famous trademarks, in India as well as abroad. Another advantage is that for brand valuation, there would now be different parameters for well-known marks, which would be reflected in their share prices. The focus of industries would shift from protecting tangible assets to intangible assets like brands and trademarks and this would further build customer confidence vis-à-vis goods bearing well-known trademarks.
Device is a legal term for a picture or shape or logo or symbol. It must be simple in style and capable of being described in a few words. Device marks are mostly used for ordinary consumer goods like cosmetics, textiles, household articles and articles of food.

<table>
<thead>
<tr>
<th>Numeral</th>
<th>400</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initials or alphabets</td>
<td>‘ICI’, ‘IBM’, ‘K’</td>
</tr>
</tbody>
</table>
| Slogans         | “Have a Break”  
                  | “Have a Kit-Kat” |
| Trade Names     | CMC LIMITED |
| Trading style   | CMC Limited |
| Or any permutation and combination of the above | K4 100 |
| Label           | Lakmé Shampoo Satin Rinse Conditioner |

Table 4.2
Definition of Mark

Section 2(1) (m) of Trade Marks Act, 1999 defines a mark as:

'Mark' includes a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof.

For example, the numerals '555' attached to a washing powder is its trademark.

A person who sells his goods under a particular trademark acquires limited exclusive right to use of the mark in relation to those goods.

A trademark may be registered or unregistered. An unregistered trade mark is called common law mark.

A trademark when registered gets a stable existence. A registered trade mark can be in relation not only to its existing use but also for a proposed use.

The Functions Of a Trade Mark

A trademark serves the purpose of identifying the source of origin of goods. Trade Mark performs the following four functions:

♦ It identifies the product and its origin. For example, the trademark 'Brook Bond' identifies tea originating from the Company manufacturing tea and marketing it under that mark.

♦ It guarantees its quality. The quality of tea sold in the packs marked Brook Bond Tea would be similar but different from tea labelled with mark Taj Mahal

♦ It advertises the product. The trademark represents the product. The trademark 'Sony' is associated with electronic items. The trade mark SONY rings bell of particular quality of particular class of goods. It thus advertises the product while distinguishing it from products of Sony’s competitors.

♦ It creates an image of the product in the minds of the public particularly consumers or the prospective consumers of such goods.

The mark 'M' which stands for the food items originating from the American fast food chain McDONALD creates an image and reputation for food items offered by it for sale in the market.
Need And Emergence Of Trade Marks Law

The marks associated with goods come to acquire a reputation and good will around them. Before the enactment of the Trade Marks Law, the trade marks used to be called common law marks. The Common Law Marks could not be registered, as there was no law under which it could be done.

The owner of a common law mark had to protect his mark against acts of infringement or passing off of his mark by initiating common law proceedings. Such proceedings had to be set in motion each time an infringement occurred. Also such proceedings could be launched only when an infringer had actually used the mark. Such proceedings used to be time taking and onerous. That brought in the need for a special legislation.

Enactment of the Trade and Merchandise Marks Act, 1958 brought into existence a system of registration of trade marks which gave statutory recognition to proprietorship of trade marks and defined the rights conferred by such registration and prescribed remedies in respect of infringement of those rights.

Essentials Of a Trade Mark

A trademark should be distinctive (Also discussed in Registration of Trademarks).

♦ Distinctiveness of the trade mark. A trademark would be considered a good trademark when it is distinctive.

In the case of Imperial Tobacco v. Registrar, Trade Marks AIR 1977 Cal. 413, the word distinctiveness was held to be some quality in the trade mark which earmarked the goods marked as distinct from those of other products or such goods.

Features of Distinctiveness

1 Distinctiveness may be class dependent.

What is distinctive in relation to one class of goods may not be so in relation to another class of goods. The trademark may be united wholly to one or more specified colours and this colour combination may become the distinctive character of the particular mark.
II Distinctiveness may be inherent or acquired.

Inherent distinctiveness means that the mark or get up is distinct in itself from everything else and no one can justifiably claim the right to use it. For instance, marks in the shape of an invented word like ‘Rin’.

Acquired distinctiveness means:

♦ Distinctiveness through use. Most of the trademarks acquire distinctiveness through use. The trade marks Yashica, Hawkins, Surf and Luxor have acquired distinctiveness through use and also the distinctiveness due to the inherent quality of their being invented words.
♦ The trademark should preferably be an invented word. In fact, the best trademarks are invented words.
♦ The trade mark, if a word or name should be easy to pronounce and remember. For instance, ‘Bata’ for shoes; ‘Zen’ for car, ‘SONY’ for electronics, ‘FORD’ for car, ‘Panchranga’ for pickles etc.
♦ In case of a device mark, the device should be capable of being described by a single word.
♦ It must be easy to spell correctly and write legibly.
♦ It should not be descriptive but may be suggestive of the quality of goods. For example, a mark A-I would generally suggest superior quality. Avon (A-I) cycles for instance.
♦ It should be short. For instance ‘Tick’, ‘Flex’, ‘Ben’, ‘Rin’.
♦ It should appeal to the eye as well as the ear.
♦ It should satisfy the requirements of registration.
♦ It should not belong to the class of marks prohibited for registration. For example, a mark contrary to law for the time being in force or a mark prohibited under the Emblems and Names (Prevention of Improper Use) Act, 1950.

Trade Mark Law and Protection of Trade Mark

The Trade Mark law in India is contained in the provisions of the Trade Marks Act, 1999(47 of 1999). The earlier Trade and Merchandise Marks Act, 1958 has been repealed. The 1958 Act with the extensive amendments, has become the 1999 Act.
After the Act is enacted by the legislature, rules thereunder are made by the Government to facilitate and regulate the implementation of the provisions of the Act. Rules made under an Act have the force of law. The rules have, however, to be consistent with the provisions of the Act.

**How a trademark is protected?**

To protect the registered Trade Mark, the following remedies can be resorted to:

- Civil remedies,
- Criminal Proceedings,
- Administrative Remedies.

**Civil remedies**

When instances of infringement and passing off occur, the court of competent jurisdiction (court not lower than District Court) can be moved for grant of interlocutory injunction, Anton Pillar Orders, damages and account of profits (Discussed in the Copyright Act).

**Criminal proceedings**

Complaint may be made against the person causing infringement. Both the actions, under the civil law and criminal law can be initiated simultaneously. Under the civil law proceedings the plaintiff seeks reliefs for himself while under the criminal law proceedings the complainant seeks award of punishment to the infringer.

**Administrative remedies**

Opposing the registration of a deceptively similar trademark when the Trade Mark Registry is in the process of considering the grant of a trade mark, can protect the trade mark. The Registry can also be moved for removal of a deceptively similar trademark if registered.

**Service Marks**

Under the Trade and Merchandise Marks Act, 1958 service marks were not registrable. The 1999 Act, however, makes the service marks also registrable.
**Collective Marks**

“Collective Mark” is defined in the 1999 Act as a trademark distinguishing the goods or services of members of an association of persons, which is the proprietor of the mark from those of others. The association of persons, however, includes partnership within the meaning of Indian Partnership Act, 1932.

**Deceptively Similar Work**

The expression “deceptively similar” in relation to a mark has been defined as that which so nearly resembles the other mark as to be likely to deceive or cause confusion.

Section 2 of the 1999 Act lays down that any reference to “Trade Mark” shall include reference to “Collective Mark” or “Certification Trade Mark”.

**Registration Of Trade Marks**

**Registrar of Trade Marks**

The Registrar of Trade Marks is the authority responsible for registration of trade marks, setting opposition proceedings and rectification of the register. He is vested with wide ranging discretionary powers. He also has powers of a Civil Court in certain matters and certain residuary powers. The Registrar of Trade Marks can also review his own decision.

**Register Of Trade Marks**

The Register of Trade Marks is the official record of trade marks.

Section 6(1) of the Trade and Merchandise Marks Act, 1999 provides that for the purposes of this Act, a record called the Register of Trade Marks shall be kept at the Head Office of the Trade Marks Registry, wherein shall be entered all registered trade marks with the names, addresses and descriptions of the proprietors, notifications of assignments and transmission, names and addresses and such other matters as may be prescribed.

Section 6(6) further provides that there shall be kept at each branch office of the Trade Marks Registry, a copy of the Register and such other documents which may be notified by the Government in the Official Gazette.
Section 6(2) of the 1999 Act provides that it shall be lawful for the Registrar to keep the records wholly or partly in computer floppies, diskettes or in any other electronic form subject to such safeguards as has been prescribed.

Section 6(7) of the 1999 Act provides that the Register of Trade Marks, both Part A and Part B, enlisting at the commencement of 1999 Act shall be incorporated in and form part of the register under the 1999 Act.

Classification of goods and services.

Section 7 of the 1999 Act provides that the Registrar shall classify goods and services in accordance with their international classification for registration of trade marks.

Principles Of Registration Of Trade Marks

The trade mark law, had been evolved with the purpose of recognizing the proprietary right of a trader to use a mark for his goods.

There are certain fundamental principles, which form the basis of the Trade Mark law. The same are listed below:

- A trader cannot claim absolute proprietary right on any word or symbol. The monopoly right conferred by the registration of a trademark is clothed with certain restrictions to enable other traders to make bonafide use of such marks for trading or business purposes in certain circumstances.

Section 28(3) of the 1999 Act lays down that where two or more persons are registered proprietors of trademarks, which are identical with or nearly resemble each other, the exclusive right to the use of any of those trade marks shall not be deemed to have been acquired by anyone of those persons as against any other of those persons but each of those persons will have otherwise the same rights as against such other persons who have not been registered as users by way of permitted use as he would have if he were the sole registered proprietor.
Descriptive words, surnames, and geographical names are not prima facie registrable. For example, the word 'Sharma' cannot be registered as a trademark for confectionery goods since it is a surname.

The interest of the public is to be safeguarded. The guiding principle is that a trademark is not to be registered if its use will mislead the public about the origin of the goods they purchase or intend to purchase. Thus a deceptively similar mark is not to be registered. Where a trader opposes the registration of a particular mark on the grounds that such a mark proposed to be used will cause passing off, such a mark would be denied registration. Section 11 of the 1999 Act, list out the marks, which are to be denied registration.

The provision that one mark is to denote one origin is not absolute. There may be instances where two traders may have been using a similar mark in respect of goods over a period of time, each oblivious of the use of such mark by other. The trade mark law recognises that such instances of honest concurrent use may occur in real life. Section 12 provides that such marks can be registered subject to suitable conditions and limitations.

The life of a trademark depends on its actual use. Section 47 of the Act provides that a trademark may be removed from the Register on ground of non-use.

A trademark is a form of property, the proprietorship of the trade mark is assignable and transmissible as in case of other forms of property.

The property rights in a trademark acquired by use are superior to similar rights obtained by registration under the Act. Prior users of trade-marks are protected against any exercise of monopoly rights by the people having registered similar marks though later in time.

The trade mark law is not coded with the aim of protecting the interest of the trader only. The interest of others too are safeguarded by giving them opportunity to file opposition to the registration of a trade mark after it has been advertised in the Trade Mark Journal. And in certain circumstances even after the marks has been registered.
Part ‘A’ And Part ‘B’ Registration

The Trade and Merchandise Marks Act, 1958 provides for registration of a trademark either in Part A or in Part B. This concept of Part ‘A’ and ‘B’ has been omitted in the new Act of 1999. Thus, now there is only a single register with simplified procedure for registration and with equal rights.

Refusal of Registration

**Absolute grounds for refusal of registration.**

Section 9 of the 1999 Act lists the following grounds being absolute grounds for refusal of a trademark:

- Such trademarks which are devoid of any distinctive character, that is to say, not capable of distinguishing the goods or services of one person from those of another.
- Trademarks which consist exclusively of such 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 services or other characteristics of the goods or services.
- Such trademarks, which consist exclusively of marks or indications which have become customary in the current language or in the bonafide or established practices of the trade.

However, a trademark shall not be refused registration if before the date of application for registration it has acquired a distinction character as a result of the use made of it or if it is already a well-known trademark.

*A mark also shall not be registered as a trademark if:*

- it is of such nature as to deceive the public or cause confusion.
- if it contains or comprises of any matter likely to hurt the religious susceptibilities of any class or sections of citizens of India.
- if it comprises or contains scandalous or obscene matter.
- if its use is prohibited under the Emblems and Names (Prevention of Improper Use) Act, 1950.
Relative grounds for refusal of registration.

Section 11 of the 1999 Act lays down that a mark shall not be registered as trademark if there is likelihood of confusion caused to the public including the likelihood of association with an earlier trademark by virtue of its identity with the earlier trademark and similarity of goods or services caused by the earlier trademark or by virtue of its similarity to an earlier trademark and identity or similarity of the goods or services caused by the earlier trademark.

Distinctiveness

The Distinctiveness has been understood as 'some quality in the trademark, which earmarks the goods, so marked as distinct from those of other products or such goods'. The distinctiveness may be - (i) inherent; or (ii) acquired over a period of time.

The trademark law is based on the premise that one good can have only one origin, just as one man has one mother. The trademark serves as an identification of origin and distinguishes the marked product from those of the competitors that is why the element of 'distinctiveness' is so important.

Distinctiveness does not give conclusive right to registration

The distinctiveness though a necessary condition for registration is not by itself sufficient to qualify for registration. The applicant’s chance of success in obtaining registration of a mark would largely depend upon whether other traders in the ordinary course of business and without any improper motive desire to use the same mark. This is the reason why words like 'India', 'Shimla' and 'Mysore' being geographical are un-registrable. 'Perfection' being laudatory expressions and 'Janta Rasoi' being common expressions would be unregistrable even if there is evidence of acquired distinctiveness. Where the inherent unsuitability of the mark is evident, no degree of distinctiveness can tilt the balance in favour of registration of the mark.

Conditions For Registration Of Trade Mark

A trademark shall not be registered unless it contains or consists of at least one of the following essential particulars, namely:
• The name of a company, individual or firm represented in a special or particular manner.
• The signature of the applicant for registration or some predecessor in his business.
• One or more invented words.
• One or more words having no direct reference to the character or quality of the goods and not being according to its ordinary signification, a geographical name or a surname or a personal name or any common abbreviation thereof or the name of a sect, caste or tribe in India.
• Any other distinctive mark.

**Illustration – Words Found Invented**

• **SOLIO** for photographic paper. Eastman’s application (1898) 15 RPC 476.
• **BOVRL** for substance used as food, a fancy word (Bovine refers to intestine). Bovril T.M., (1896) 13 RPC 382.
• **SAVONOL** for soaps derives from the French word ‘Savon’ meaning soap. Field v. Wagel Sundicate, (1990) 17 RPC 266.
• **WHISQUEUR** for liquors containing whisky (coined by telescoping ‘whisky’ and ‘liquor’). Hallgarten’s Appln., (1949) 66 RPC 105. Similarly, Coffusa (Coffee + infuser), Frumato (Fruity + tomato), Glucoda (glucose + soda).
• **KODAK** for camera, Eastman v. John Griffiths, (1898) 15 RPC 105.
• **WASHERINE** for a liquid preparation for laundry purposes. A descriptive term, being the ordinary word wash with a very ordinary termination added to it. Burland v. Broxburn, (1889) 6 RPC 482.
• **INSTEA** (a mere condensation of the expression ‘instant tea’), Nestle’s v. Thankaraja, AIR 1978 Mad. 336.
• **PANORAM** for photographic cameras and films. Kodak v. London Stereoscopic, (1903) 20 RPC 337.
• **TARZAN** (a word though newly coined but had acquired a definite meaning and referred to a comic character). Tarzan Tm, (1969) RPC 301.
Non descriptive words

A trade mark shall not be registered unless it contains or consists of one or more words having no direct reference to the character or quality of goods and not being, according to ordinary signification, a geographical name or a surname or a personal name or any common abbreviation thereof or the name of a sect, caste or tribe in India.

Non-descriptive words are commercially the most popular trademarks. Non-descriptive word would be any other word other than an invented word whether it is already existing or newly coined. Thus words coined from existing stock of words in the dictionary by addition of a prefix or suffix or by deletion of one or more letters therefrom.

The non-description word has however, to be distinctive in order to be registrable.

The non-descriptive words should have no direct reference to the quality or character of goods. For example, the word ‘SAFFO’ was held not registrable for cleaning power and liquid for being too close to the word ‘SAFF’ meaning clean, white. It was held it was a descriptive word [Hindustan Lever v. Kilts, (1982) PTC 38].

The word ‘SATTINE’ was held descriptive of laundry starch as it suggested that the starch would conduce to the production of a very glossy surface [meyerstein’s Application (1890) 7 RPC 114]. As such not registrable.

The non-descriptive word must be non-laudatory. The word ‘SUN’ was held non-laudatory of lanterns and globes for lamps although rays of sun dispel darkness [Mohd. Rafiq v. Modi Sugar, AIR 1972 Delhi 46 ast 49]. Hence entitled to registration.

The word ‘SOLAR’ was held not descriptive of photographic apparatus, studio light, projections, and photographic enlargers, hence entitled to registration.

In the case of ‘Staph Guard’ [(1967) RPC 165], the words ‘Staph Guard’ in relation to laundry washing machines was refused on the ground that the words were descriptive of machine having certain special features viz., for guarding against infection by ‘Staphylococcus (a bacteria). A reference to the known abbreviation “Staph” is real and of serious import.
The law regarding non-descriptive words as laid down in H.D. Corporation v. Dy. Registrar of Trade-Marks [AIR 1955 Calcutta 519], is discussed below.

In this case, the question arose whether the word ‘Rasoi’ being a common word of the language could be registered as a trade-mark. The points in dispute in this case were as follows:

♦ Whether the word ‘Rasoi’ if and when used as a trademark for the hydrogenated groundnut oil manufactured by the appellant company has a direct reference to the character or quality of goods?

♦ If the word ‘Rasoi’ cannot be said to have such direct reference, must the mark be still proved to be distinctive in order to be eligible for registration, or should it be taken to be regarded as prima facie distinctive by the Act itself?

♦ Even if the word ‘Rasoi’ has no such direct reference and even if it is distinctive, then whether in view of the fact that it is a common word of the language of which no monopoly should be granted to any particular trade?

The Court held that sections 9 (1) (d) of the Trade and merchandise Act, 1940 provides that a trade mark shall not be registered unless it contains or consists of one or more words having no direct reference to character or quality of goods. In considering whether a mark has reference to the character or quality of goods, the mark must be looked at, not on its grammatical significance, but as it would represent itself, to the public at large. To the general public, the word ‘Rasoi’ means cooking. The normal use of hydrogenated groundnut oil is for cooking purpose, thus the use of the commodity as intended or adapted undoubtedly forms part of its character. To people in the trade and to the consumers, the word ‘Rasoi’ would thus imply a direct reference to the character of the goods.

*Non-descriptive words, registration allowed*

♦ Sun for lanterns; RADIATION for gas-stoves.


♦ SULEKHA meaning ‘good writing’, but also a feminine personal name, registered on ground of distinctiveness. Mehta v. Registrar, AIR 1962Bom. 82.
DORA for ganjees/vests (the word dora means thread or strips, also a feminine personal name, registered on ground of distinctiveness). Chandra Bhan v. Arjundas, AIR 1974 Cal. 183.

PARIWAR meaning ‘family’ not considered laudatory in respect of soaps by the mere fact that soap was used by the entire family. Jyoti Soap v. Registrar, (1982) PTC 551.

CHIN-CHIN for alcoholic beverages (allowed in part-B of Register) Chin-Chin Tm, (1965) RPC 136.


Words found descriptive- Registration refused

SAFO for cleaning powder (too close to the word ‘saf’ meaning clear pour, white, etc) Hindustan Lever v. Kilts, (1988) PTC 38.


CHARM for hosiery (ladies stockings) Keystone Knitting Mills Tm’ (1928(45RPC 193.

CARNIVAL for cigarette (the word meaning “revelry” and feasting). Llyod & Son’s Tm, (1893) 10 RPC 281.

TASTEE-FREEZ for ice cream. Tastee-Freez Tm, (1960) RPC 255.

PERFECTION for soaps (purely laudatory word). Crosfield’s Appln., (1909) 26 RPC.

HEALTH for cocoa, chocolate, etc. (a commendatory epithet and not distinctive). Henry Throne v. Eugen Sandow, (1912) 29 RPC 440.

RASOI for vegetable oil.

Rights Conferrered By Registration Of Trade Mark

Section 28 of the Trade and Merchandise Marks Act, 1958 confers on the proprietor of the trade mark, exclusive right to use of the trade mark in relation to the goods in respect of which the trade mark is obtained.
In addition to conferring the right of exclusive dealing, the proprietor of a trademark also has a right to file a suit for infringement of his right and obtain

I  Injunction,
II  Damages,
III  Account of profits,

The rights conferred are not absolute. The Act lists out the limitations, which can be imposed on the exclusive rights

- The trademark when it is subject to conditions and limitations entered on in the Register. Any use of the mark beyond the scope of the rights granted is not protected.

*For example*, a trademark of soap is registered in India. There can be no infringement action when the same trademark is used in a foreign country for a similar product if the trademark has been registered imposing territorial restrictions on its use.

- The registration of a trademark will not entitle the proprietor to bring infringement action against proprietor of identical or similar marks which also happen to be registered.

*For example*, there are many brands of spices in the market. Some of them quite popular are MDB and BDH. This provision would prohibit the proprietor of MDH from bringing a suit for infringement, if the mark BDH happens to be registered.

- Section 30 of the 1999 Act lays down limits on effect of registered trademark. A registered trademark can be used by any person for purposes of identifying goods or services if the use of the mark is in accordance with honest practices in industrial or commercial matters and also if it is met such which takes unfair advantage of or is detrimental to the distinctive character or repute of the trademark.

- No infringement will be involved in cases:
  If the use is in relation to goods or services and it indicates the kind, quality, quantity, intended purposes, value, geographical origin, the time of production of the goods or of rendering of services or other characteristics of goods or services; and
  If a trademark is registered subject to any conditions or limitations, the use of the trademark in any manner in relation to goods to be sold or otherwise traded in or in
relation of goods to be exported or in relation to services for use in any place or country outside India.

Or

If the use of a trademark-

(i) in relation to goods connected with the proprietor or a registered user of the trademark if the registered proprietor/user has applied the trademark and has not subsequently removed it, or has at any time consented to the use of the trademark.

(ii) in relation to services to which the proprietor/registered user has applied the mark to indicate that those services have been performed by such proprietor/registered user.

If use of a trademark by a person in relation to goods adopted to other goods or services for which the trademark has been used without infringement of the right given by registration under this Act or might the used if such use is reasonably necessary to indicate that the goods and services are so adapted.

If the use of the registered trademark being one of two or more identical or nearly resembling trademarks, in exercise of the right to use such trademark given by registration under the Act.

If the goods bearing a registered trademark are lawfully acquired by a person, he would be entitled to sell the goods in the market and it will constitute no infringement if that registered trademark has been assigned by its proprietor to some other person after such goods had been acquired.

No infringement would also be involved if the goods put on the market under the registered trademark are put in the market either by the proprietor of the trademark or else with his consent.

However infringement will occur if the proprietor of the registered trademark opposes further dealings in the goods particularly when the condition of the goods has been changed or impaired after they had been put on the market.

Infringement Of Trade Marks

Infringement of trademark occurs if a person other than the registered proprietor in the course of trade, in relation to the same goods for which the mark is registered, uses the same mark or a deceptively similar mark.
Essentials Of Infringement

- The taking of any essential feature of the mark or taking the whole of the mark and then making a few additions and alterations would constitute infringement.
- The infringing mark must be used in the course of trade, i.e. in a regular trade wherein the proprietor of the mark is engaged.
- The use of the infringing mark must be printed or usual representation of the mark in advertisement invoices or bills. Any oral use of the trademark is not infringement.
- Any or all of the above acts would constitute infringement if the same is done in such manner as to render the use of the mark likely to be taken as being used as a trademark.

Forms Of Infringement

A registered trademark is infringed if used in the course of trade by a person other than the registered proprietor or permitted user of such trademark. The infringement occurs because such mark used by the one other than the registered proprietor or permitted user is likely to cause confusion in the mind of public or is likely to cause impression of association with the registered trademark. And such confusion is caused because of the identity of such mark with the registered trademark as also the similarity of goods or services covered by such registered trademark. Such confusion can also occur because of the similarity of such mark to the registered trademark and the identity or similarity of the goods or services covered by such registered trademark. The confusion would also be caused because of such mark's identity with the registered trademark as well as the identity of the goods or services covered by such registered trademarks.

A registered trademark is also infringed by a person who applies such trademark to a material intended to the used for labelling or packaging goods, as a business paper or it is used for advertising goods or services provided that when he applied the mark in such manner, that he know or had reason to believe that such application of the mark was not duly authorized by the proprietor or a licensee of the registered trademark.

A registered trademark is also infringed by any advertising of that trademark if such advertising takes unfair advantage of and is contrary to honest practices in industrial or commercial matters. Also if it is detrimental to the distinctive character of the registered trademark. Also if it is against the reputation of the registered trademark.
A registered trademark will be infringed by the spoken use of words as well as by their visual representation in cases where the distinctive elements of a registered trademark consist of or include such works.

A registered trademark will be infringed by a person if he in particular affixes it to goods or packaging thereof or offers or exposes goods for sales, puts them on the market or stocks them for such purposes under the registered trademark or offers or supplies services under the registered trademark.

I. Using a deceptively similar mark

The infringement that deception or confusion has been caused may arise in the following ways:

(i) Deception or confusion as to goods – A person may buy the goods seeing one mark thinking that it is the brand, which is in his mind, which in fact is not the case. This is the most common type of confusion or deception.

(ii) Deception or confusion as to trade origin- A person looking at a mark may buy the goods thinking that it is coming from the same source as some other goods bearing a similar mark with which he is familiar. This is deception or confusion as to trade source.

(iii) Deception or confusion as to trade connection- A person looking at the mark may not think that it is the same as one with a differed brand in his mind but the similarity may make him believe that the two are in some way or other connected with each other. The use of the mark might give rise to a belief in the purchasers, mind of there being some connection with the goods and the owner of the registered Trade Mark.

Illustrative Case laws

Plaintiff was selling cosmetic products under the registered Trade Mark “Lakme”. Defendant was using the Trade Mark “Like-me” for the same class of products. It was held that there was striking resemblance between the two words. The two words are also phonetically similar. There is every possibility of deception and confusion being caused in the minds of the prospective buyers of the plaintiff’s products. Injunction was made permanent (PTC 1996, 567).
Plaintiffs were registered proprietors of the Trade Marks ‘MITASO’ the defendants used the marks ‘METASHOW’. Infringement was alleged on the ground that the two marks on the face of it were deceptively similar phonetically and any ordinary customer could be easily misled in treating the goods of one as coming from the source of another. Injunction restraining the defendants from using the Trade Mark ‘META-SHOW’ was granted (PTC 1995, 105).

The party in the Trade Marks Registry made an application for registration of Trade Mark “FIXACOL”. The opponents were registered proprietors of Trade Mark ‘FEVICOL’ who pleaded rejection of the application on the grounds of deceptive similarity and confusion. The application was refused registration on the above grounds (PTC 1995 105).

The plaintiff’s were a reputed manufacturer of dental cream COLGATE. Defendants used the mark COLLEGIATE, which is phonetically similar to the plaintiff’s mark with deceptively similar letters in white with red background so as to cause confusion in the minds of the customers and to pass off its products as COLGATE. Hence the mark was restrained through injunction (PTC 1995, 389).

The Supreme Court in Amritdhara v. Satya Deo observed that the ordinary purchaser would go more by the overall structure and phonetic similarity and the nature of medicine he has previously purchased or has been told about or about which he has otherwise learnt and which he wants to purchase. The words ‘Amritdhara’ were held deceptively similar though registration of ‘Lakshmandhare’ was allowed on the basis of honest concurrent user (AIR 1963 SC 453).

Beside the obvious and most prevalent infringement by use of a deceptively similar mark the following activities also amount to infringement.

II. Taking substantial feature of the mark would be infringement

A mark is infringed by another trader if, even without using the whole of it upon or in connection with his goods, he uses one or more of the essential feature however, infringement is not to be judged by the ocular test alone. It has, therefore, long been accepted that if a word forming part of mark has come in trade to be used to identify the goods of the owner of the mark, it is an infringement of the mark itself to use that word as the mark or part the mark of another traders.
III. Addition

Addition of extraneous matter, inconspicuous additions is infringement. If a person incorporates whole or part of a registered Trade Mark of another, the addition of other or matter would not save him from the charge of infringement.

IV. Use of registered trademark along with a name other than that of registered proprietor constitutes infringement.

Use of trademark of registered proprietor with the name other than of a registered user constitutes infringement.

In Levi v. Shah, (1985 RPC 371) the plaintiffs had registered trademarks consisting of labels respectively coloured red, orange, white, black and blue sewn “LEVI’s” also a registered trademark was invariably added to the tabs. The defendants sold jeans and white tabs similar to the registered trademark sewn into the pockets. It was held as a case of infringement.

V. When mark is copied, it amounts to infringement.

If the infringer has absolutely copied the mark and made a facsimile representation of it, no further evidence is required. When the similarities are so close as to make it impossible to suppose that such marks were devised independently of each other, in the absence of evidence of a common origin, the conclusion is always that one party copied the mark of another.

VI. Use of reconditioned or second hand articles

The use of the plaintiff’s mark on reconditioned goods may constitute infringement even if it is clarified that goods are not original but only reconditioned.

VII. Printing of labels is infringement

Unauthorised printing of labels of the plaintiff will constitute infringement. If a copyright subsists in labels, it will constitute infringement of such copyright as well.

VIII. Goods manufactured by third party would constitute infringement.

When the owner of a mark gets the goods manufactured by a third party under a contract, solely for the mark, sale of the goods bearing the mark by such a manufacturer to other persons would constitute infringement.
Action For Infringement

The civil action for infringement lies in instituting a suit.

Where a suit is to be instituted:

A civil suit for infringement of a registered trademark must be filed in District Court within whose territorial jurisdiction where the infringement takes place. Where the High Court has the original jurisdiction to entertain such suits beyond a certain financial limit, infringement proceedings can be instituted directly in the High Court. No Court lower than the District Court can entertain such a suit.

Procedure followed

The procedure followed in the disposal of the suit is as laid down in Code of Civil procedure, 1908.

Period of Limitation

Under the Limitation Act, 1963, the period of limitation for filing a suit for infringement of a trade mark is three years from the date of infringement. Where the infringement is a continuing one, a new course of action arises every time an infringement occurs. For instance, in a continued sale of infringing article, sale of each article would give rise to a fresh cause of action.

Who can sue for infringement?

The plaintiff in an infringement suit may be either:

- The proprietor of the registered trade mark or his legal successor.
- A registered user of a trade mark subject to a prior notice to the registered proprietor and consequent failure of the registered proprietor to take any action against the infringer.
- An applicant for registration of a trade mark. He can file an infringement suit to protect his right to continue with the suit, which will sustain only if his trademark is registered before the hearing of the suit.
- Legal heirs of the deceased proprietor of a trade mark.
Any one of the joint proprietors of a trade mark,

A foreigner proprietor of a trademark registered in India when infringement occurs in India.

Who can be sued?

The infringer who directly by his action causes infringement or who uses or contemplates or threatens to use a trade mark infringing the plaintiff’s right.

The master responsible for his servant’s act of infringement. He is to be made the defendant in such suit. For example a worker who is engaged in the business of making fake labels is a servant of the master who orders the making of such labels. It is the master in such a case who is to be sued.

The agents of an infringer.

Directors and promoters of a limited company cannot be joined as co-defendants unless they have personally committed or directed infringing acts.

Relief In Suits For Infringement Or Passing Off

The types of relief to which a plaintiff is entitled are-

An injunction restraining further use of the infringing marks.

Damages or an account of profits

An order for delivery-up of infringing labels and marks for destruction or erasure.

The plaintiff is entitled to the above relief both in an infringement and passing-off action.

THE COPYRIGHT ACT

Introduction - Meaning

The word ‘Copyright’ is derived from the expression ‘Copier of words’ first used in the context, according to Oxford Dictionary, in 1586. The word ’Copy’ according to Black’s Law Dictionary means “transcript, imitation, reproduction of an original writing, painting, instrument or the like”...........

Copyright according to Black’s law Dictionary is - “the right in literary property as recognised and sanctioned by positive law. An intangible incorporeal right granted to the author or originator of certain literary or artistic production whereby it is invested for a specified period
with the sole and exclusive privilege of multiplying copies of the same and publishing and selling them.”

Copyright is defined in the Oxford English Dictionary as an exclusive right given by law for a certain term of years to an author, composer etc. (or his assignee) to print, publish and sell copies of his original work.

India has afforded protection of copyrights only since 1957. After partaking in the Berne Convention, India implemented the Indian copyright Act in 1957 and has been active in making appearances at conferences dealing with copyright. India, was the party to the Geneva Convention for the Protection of Rights of Producers of phonograms and to the universal copyright convention.

India’s copyright laws have been amended periodically to keep pace with technological and other changes in the environment. The act, presently in force was legislated in the year 1957 and is known as Copyright Act, 1957 as amended by copyright (Amendment) Act, 1999. It adopted many principles and provisions contained in the U.K. Act of 1956. Some amendments have involved satellite broadcasting, computer software, digital technology, performer’s rights and civil and criminal remedies against infringement. India is in full agreement with her obligations under the TRIPs agreement.

Though India’s protection of copyrights is considered good, and is in the top half range of all countries in the world, there has been lax on its implementation. The strong law is rendered ineffective as many violations go unchallenged.

Copyright is protection in form and not in idea

Copyright is a right given to or derived from works and it is not a right in novelty only of ideas. It is based on the right of an author, artist or composer to prevent another person from copying his original work, whether it is a book, a tune or a picture, which he created himself. There is nothing in the notion of copyright to prevent another person from providing an identical result (and himself enjoying a copyright in that work) provided it is arrived at through an independent process.
There is no copyright in ideas. Copyright subsists only in the material form to which the ideas are translated. In the field of literary work the words chosen by the author to express his ideas are peculiar to himself and no two descriptions of the same idea or fact can be in the same words, just as no two answers written by two different individuals to the same question can be the same. The order and arrangement of each man’s words is as singular as his countenance. It is the form in which a particular idea, which is translated that is, protected.

A person may have a brilliant idea for a story or for a picture but if he communicates that idea to an artist or play writer then the production which is the result of the communication of the idea is the copyright of the person who has clothed the idea in a form (whether by means of a picture or play) and the owner of the idea has no rights in the product. Since there is no copyright in ideas or information, it is no infringement of copyright to adopt the ideas of another or to publish information derived from another, provided there is no copying of the language in which those ideas have or that information has been previously embodied.

Works In Which Copyright Subsists

Section 13 of the Act lists out the works, in which copyright subsists. It reads as follows:

Subject to the provisions of this section and the other provisions of this Act, copyright shall subsist throughout India in the following classes of works, that is to say-

- Original Literary, Dramatic, Musical and Artistic Work,
- Cinematograph films and
- Sound recording.

**Literary Work** includes computer program’s, software manuals, training manuals, tables, compilations including computer databases, novels, nonfiction prose, poetry, newspaper articles and newspapers, magazine articles and magazines, catalogs, brochures, ads (text).

**Dramatic Work** includes plays, operas and skits, choreographic work or entertainment in a dumb show, the scenic arrangement or acting form of which is fixed in writing or otherwise but does not include a cinematograph film.

**Musical Work** includes songs, advertising jingles and any graphical notation of such work but does not include any works or any action intended to be sung, spoken or performed.
with the music. For instance, an actor’s movements while rendering the song in a movie cannot be copyrighted.

An Artistic Work includes a painting, a sculpture, a drawing (including a diagram, map, chart or posters), an engraving or a photograph, cartoon strips and cartoon characters, whether or not any such work possesses artistic quality. A work of ‘architecture’ means any building or structure having an artistic character or design or any model for such building or structure.

Cinematograph Film includes movies, documentaries, travelogues, training films and videos, television shows, television ads and interactive multimedia works.

Cinematograph film means any work of usual recording on any medium produced through a process from which a moving image may be produced by any means. It includes a sound recording accompanying such visual recording and ‘Cinematograph’ shall be construed as including any work produced by any process analogous to cinematography.

Sound Recording includes music, sounds or words. Sound recording means a recording of sounds from which such sound may be reproduced regardless of the medium on which such recording is made or method by which the sounds are produced.

Thus, copyrights may be used to protect ads and product package designs. The trademark registration protects brand name and / or icon, logo etc whereas the copyright can protect artistic work on package and label, advertisement, tag lines, video images etc.

In M/s. Anglo-Delhi Paint, Colour and Varnish Works Ltd. v. M/s. India Training House (AIR, 1977, Del.41) case the court found that except for the phonetic differences between the numerals “1001” used by the plaintiff and “9001” used by the defendant, the entire getup, the combination of the colours, words “Super White” on top and “Zinc Paint” on the bottom, in white circle with grey lettering super imposed on violet background were absolutely copied. The defendant were unable to offered any explanation that why they have chosen the getup similar to that of the plaintiff. Temporary injunction was granted by the court, till the disposal of the case.
Rights Conferred By Copyright

Types of Rights

- Statutory right.
- Negative right.
- Multiple rights.
- Economic rights.
- Moral rights.

Box.4.2

**Statutory right**

The copyright in a work is a creation of statute. A person owns a copyright because the law recognises the existence of such a right. The rights, which an author of a work has by virtue of creating the work, are well defined. Section 14 of the Copyrights Act defines them as under:-

For the purposes of this Act, “copyright” means the exclusive right subject to the provisions of this Act, to do or authorise the doing of any of the following acts in respect of a work or any substantial part thereof, namely:-

(I) in the case of a literary, dramatic or musical work, not being a computer programme,-
   (i) to reproduce the work in any material form including the storing of it in any medium by electronic means;
   (ii) to issue copies of the work to the public not being copies already in circulation.
   (iii) To perform the work in public or communicate it to the public;
   (iv) To make any cinematograph film or sound recording in respect of the work;
   (v) To make any translation of the work;
   (vi) To make any adaptation of the work;
   (vii) To do, in relation to a translation or an adaptation of the work, any of the acts specified in relation to the work in sub-clauses (i) to (vi)

(II) in the case of a computer programme-
   (i) to do any of the acts specified in clause (I);
(ii) to sell or give on hire, or offer for sale or hire any copy of the computer programme, regardless of whether such copy has been sold or given on hire on earlier occasions;

(III) in the case of an artistic work-
   (i) to reproduce the work in any material form including depiction in two dimensions of a three dimensional work;
   (ii) to communicate the work to the public;
   (iii) to issue copies of the work to the public not being copies already in circulation;
   (iv) to include the work in any cinematograph film;
   (v) to make a adaptation of the work;
   (vi) to do in relation to an adaptation of the work any of the acts specified in relation to the work in sub-clauses (i) to (iv);

(IV) in case of a cinematograph film-
   (i) to make a copy of the film, including a photograph of any image forming part thereof;
   (ii) to sell or give on hire or offer for sale or hire, any copy of the film, regardless of whether such copy has been sold or given on hire on earlier occasions;
   (iii) to communicate the film to the public;

(V) in the case of a sound recording,-
   (i) to make any other sound recording embodying it;
   (ii) to sell or give on hire, or offer for sale or hire, any copy of the sound recording regardless of whether such copy has been sold or given on hire on earlier occasions;
   (iii) to communicate the sound recording to the public.

Negative right

Copyright is a negative right in the sense that it stops others from exploiting the work of the author for their own benefit without the consent or licence of the author. It does not confer any positive right on the author himself.

Multiple rights

Copyright is not a single right but a bundle of rights which can exist and be exploited independently. The nature of these multiple rights depends upon the categories or works, namely,

(i) Literary, dramatic and musical works.
(ii) Original artistic works
(iii) Cinematograph films, and
(iv) Sound recording.

For e.g., in case of a literary work copyright comprises the right of reproduction in hard back and paper back editions, the right of serial publication in newspapers and magazines, the right of dramatic and cinematographic versions, the right of translation, adaptation, abridgement and the right of public performance.

Economic rights

The rights conferred by section 14 on a copyright owner are economic rights because the exploitation of the work by the author by exercising these rights may bring economic benefit. The author may exploit the work himself or license others to exploit any one or more of the rights for a consideration which may be in the form of royalty, a lump sum payment.

Moral rights

The copyright besides conferring economic benefits also confers moral rights on the author. Such rights though not statutorily defined are as follows:

(i) The right to decide whether to publish or not to publish the work, i.e. the right of publication.
(ii) The right to claim authorship of a published or exhibited work.
(iii) The right to prevent alteration and other actions that may damage the author’s honour or reputation- the right of integrity.

The Bern Convention recognises some of these rights and requires member States to provide the author with the right to claim authorship and to object to alterations. These rights remain with the author even after the transfer of copyright and such rights last throughout the entire term of the copyright.

These moral rights are recognised as “Author’s Special Rights” under the provisions of section 57 of the Act (as amended by the Amendment Act of 1994).

These rights are:

(i) To claim authorship of the work.
(ii) To restrain or claim damages.
These rights are conferred on the author even after the assignment of the copyright. The author’s computer programs are treated differently.

**Term Of Copyright**

The term of copyright is fixed keeping in view the interest of the author and that of the general public. The interest of the author is in protecting his work as long as possible whereas the interest of the public is in making the work a public property as soon as possible. The protection of the interest of the author assumes primary importance in view of the fact that the assurance that their work will bear their name and be protected by law serves as a stimulant to creative minds to produce literary works.

The interest of the public is served by recognising the ‘principle of fair dealing’ where the use of the copyright work by a person other than the author himself does not constitute infringement of the copyright.

The term of copyright varies according to the nature of the work.

**Term of copyright in literary, dramatic, musical or artistic works**

*Section 22 provides*

Copyright shall subsist in any literary, dramatic, musical or artistic work (other than a photograph) published within the lifetime of the author until sixty years from the beginning of the calendar year next following the year in which the author dies.

**Infringement of Copyright**

The purpose of recognising and protecting the copyright of an author is to statutorily protect his work and inspire him to exercise his creative faculties further.

A copyright confers exclusive right on the copyright owner, inter alia, to the reproduction of the work in a material form, storing the work in any medium by electronic means, publication of the work, performance of the work in public, making of its adaptations and translations.

These rights are conferred on the owner of the copyright to enable him to reap monetary benefits. If any of the above acts are carried out by a person other than the owner of the copyright, without a licence from the owner, it constitutes infringement of the copyright.
Copyright is granted for a specific period of time. Whether an act is an infringement or not would depend on the facts whether copyright is subsisting in the work or not. In case the copyright in the work has expired, the work falls in the 'public domain' and any act of reproduction of the work by any person other than the author would not amount to infringement.

**Acts which constitute infringement.**

Since the forms of creative works are numerous, i.e. literary, dramatic, musical, artistic, etc., the acts which would constitute infringement would depend upon the nature of the work.

Section 51 of the Act defines infringement of a copyright not specifically with respect to each kind of creative work, but in general terms. According to section 51 of the Act, copyright in a work shall be deemed to be infringed:

(a) when any person without a licence from the owner or the Registrar of copyrights does anything, the exclusive right to do which is by this Act conferred upon the owner of copyright, or permits for profit, any place to be used for the communication of the work to the public, unless he was not aware and had no reasonable ground for believing that such communication would be an infringement of copyright; or

(b) when any person:

(i) makes for sale or hires or sells or lets for hire or by way of trade displays or offers for sale or hire any infringing copies of the work covered by copyright; or

(ii) distributes, either for the purpose of trade or to such an extent as to affect prejudicially the owner of the copyright, any infringing copies of the work; or

(iii) exhibits in public by way of trade any infringing copies of the work; or

(iv) imports into India any infringing copies of the work except the copy of any work for the private and domestic use of the importer.

The reproduction of a literary, dramatic, musical or artistic work in the form of a cinematograph film shall be deemed to be an infringing copy.

**Acts not constituting infringement-Statutory Exceptions**

The use of a copyright work by any person other than the owner of copyright is an infringement. However, the Copyright Act recognises certain acts, which though done by a person
other that the owner of copyright would not amount to infringement of the copyright. The purpose of recognising these exceptions is to enable the reproduction of the work for certain public purposes for encouragement of private study and research and promotion of education. The defendant in an action can plead these exceptions in defence for infringement of copyright. Section 52 lists the acts, which do not constitute infringement of copyright. These are:

(i) A fair dealing with a literary, dramatic, musical or artistic work not being a computer programs for the purposes of private use including research, criticism or review, making copies of computer programs for certain purposes, reporting current events in newspapers and magazines or by broadcasting or in a cinematograph film or by means of photographs.

(ii) Reproduction of judicial proceedings and reports thereof, reproduction exclusively for the use of members of legislature, reproduction (artistic work excluded) in a certified copy supplied in accordance with law.

(iii) Reading or recitation in public of extracts of literary or dramatic work.

(iv) Making or publishing of a painting, drawing or photographs of a work of architecture.

(v) Making or publishing of a painting, drawings, or photographs or engraving of sculpture or other artistic work permanently situated in a public place.

(vi) Reproduction for the purpose of research or private study or with a view to publication of an unpublished literary, dramatic or musical works kept in a library, museum or other institution to which the public has access.

Remedies against infringement of copyright

Kinds of Remedies

There are three kinds of remedies against infringement of copyright, namely:

Civil remedies

Injunction, damages or account of profit, delivery of infringing copies and damages for conversion.

Criminal remedies

Imprisonment of the accused or imposition of fine or both and seizure of infringing copies.
Administrative remedies

Administrative remedies consist of moving the Registrar of copyrights to ban the import of infringing copies into India when the infringement is by way of such importation and the delivery of the confiscated infringing copies to the owner of the copyright and seeking the delivery.

Kinds of Civil Remedies to which a plaintiff is entitled

- Anton Pillar Order
- Interlocutory Injunction
- Damages or account of profits.

Anton Pillar Order

The procedure of law always provides equal opportunities to both the parties to present their case. However, in certain cases the court may, on an application by the plaintiff, pass an ex-parte order requiring the defendant to allow the plaintiff accompanied by attorney to enter his premises and make an inspection of relevant documents and articles and take copies thereof or remove them for safe custody. Such order is called Anton Pillar Order.

Such orders are necessary when there exists an apprehension in the mind of the plaintiff and the court that following the regular procedure would give time to the defendant to destroy relevant documents and (copies of) the articles, defeating the ends of justice.

Such an order is, however, passed very cautiously by the court; only when the plaintiff in his application makes the fullest possible disclosure of all material facts within his knowledge and the court is convinced thereby.

Interlocutory Injunction

Interlocutory injunction secures the immediate protection of copyright from an existent infringement or from the continuance of infringement or an anticipated infringement. A plaintiff may pray for an interlocutory injunction pending trial or further orders.

For obtaining an interlocutory injunction the plaintiff has to establish:

(i) A prima facie case,
(ii) Balance of convenience in his favour,
(iii) That refusal to grant interlocutory injunction would cause irreparable injury to the plaintiff.

The defendant, if injured as a result of such injunction, is entitled to compensation by virtue of an undertaking as to damages, which is made by the plaintiff. Such an undertaking on the part of the plaintiff is a condition precedent for the grant of interlocutory injunction.

Interlocutory injunction may be refused when:

(i) The interest of the plaintiff can be protected by ordering the defendant to keep an account of profits.

(ii) The defendant has pleaded and established bonafide fair dealing.

(iii) The plaintiff has been guilty of undue delay in coming to the court, or

(iv) His conduct amounted to acquiescence in the infringement.

(v) There are substantial doubts about the plaintiff’s right to succeed in the action.

The grant of interlocutory injunction would depend on the overall circumstances of the case.

**Damages on account of profits**

The plaintiff is entitled to two types of damages, viz.,

(i) One for infringement of his copyright, and

(ii) The other for conversion of his copyrighted work into another form.

**Account of profits**

A plaintiff, if successful, is also entitled to account of profits as an alternative to damages.

**Criminal proceedings against infringement**

In addition to civil remedy, the plaintiff can initiate criminal proceedings against an infringer. These two remedies are distinct and can be invoked simultaneously.

The infringement of copyright is an offence, punishable with imprisonment which may extend from a minimum period of six months to a maximum of three years and with a fine of Rs. 50,000 to Rs. two lakhs.

**Court where criminal proceedings are to be initiated**

No court inferior to that of a Presidency Magistrate or a Magistrate of the First Class can try an offence under the Act.
The conduct of the criminal proceedings is governed by the Criminal Procedure Code. The Court trying the offence may order that all copies or instruments for making infringing copies in possession of the alleged offender be delivered to the owner of the copyright without any further proceedings. The court may also order a police officer of the rank of Sub-Inspector and above to seize without warrant, all infringing copies of the work and accessories for making infringing copies and produce them before the Magistrate.

**Threat of legal proceedings**

Threat of legal proceedings also serves the purpose at times. On coming to know of violation of copyright, the owner of copyright may send a notice to the infringer requiring him to discontinue forthwith the act, which amounts to infringement. The infringer may comply with the request and agree to pay compensation settled by mutual agreement. However, the threat of legal proceeding is an efficacious remedy only when the nature of infringement is such that further infringement is neither profitable for the defendant nor is it likely to be repeated, for instance, the performance in public of a dramatic or musical work.

In case where infringement is in the form of reproduction of the copyright work in large numbers and is a profitable venture such a threat generally fails to stop further infringement. In such case court action becomes necessary.

**Registration of Copyright**

Rule 16 of Chapter VI, Copyright Rules, 1958 lists out the procedural formalities, which an applicant has to fulfil when filing an application for registration of copyright. It states that one application is to refer to one work only, it shall be made in triplicate (three copies of the same) accompanied by the prescribed fee.

**The steps for registration (Fig.4.1).**

1. The persons applying for a copyright has to give notice of his application to every person who claims or has any interest in the subject-matter of the copyright or disputes the rights of the applicant to the copyright, for instance, in case of joint authorship when only one of the authors makes an application, a notice of such an application is to be given to the other author.
II If no objection to such registration is received by the Registrar of Copyrights within thirty days of the receipt of the application, he shall be satisfied by the correctness of the particulars given in the application, enter the particulars in the Register of Copyrights.

III If the Registrar of Copyright receives any objection to such registration within the time of thirty days of receipt of the application, he may, after holding such inquiry as he deems fit, enter such particulars of the work in the Register of Copyrights, as he deems proper.

IV The Registrar of Copyrights shall, as soon as may be, send, wherever practicable, a copy of the entries made in the Register to the parties concerned.

The steps involved in making a registration of copyright.

The figure 4.1

Appeal

Any person aggrieved by the decision or order of Registrar of Copyrights, may, within three months from the date of the order or decision, appeal to the Copyright Board.
THE DESIGN ACT

Introduction

An article is distinguished not only by its utility but also by its visual appeal, which too usually play an important role in shaping the buyers preference for the article. Therefore, the Design of an article and even design of its packaging is important from the commercial viewpoint. The Design Act, 1911 aims at protecting the designs which serve the purpose of visual appeal.

Definition of Design

Design means only the features of shape, configuration, pattern, or ornament applied to any article by any industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye, but does not include any mode, principle of construction or anything which is in substance, a mere mechanical device and does not include any trademark as defined in Trade Marks Act, 1999 or property mark as defined in section 479 of the Indian Penal Code.

Thus, if a person makes an article in a certain shape not in order to make it appeal to the eye of a customer but solely to make the article work or to perform functional requirements such design is not registered. The shape of a car, for instance, with aerodynamic bonnet is not registrable because the aerodynamic shape serves a functional purpose but the plush interiors of the car could be a subject matter of design.

Administration of Act

The Design Act, 1911 is administered by the Controller General of Patents, Design & Trade Marks, under the control and supervision of the nodal ministry, the ministry of Industry, Department of Industrial Development, New Delhi.

Registration of Design

All application for registration of designs or any proceedings in respect of the Act, and the rules are to be made to the controller of patents at the Patent Office, 2nd M.S. Building, Nizam Place, 234/4, Acharya Jagdish Bose Road, calcutta 700017. The Procedure for registration is contained in ss.43-45 of the Designs Act and rules 34-43 of the Designs Rules.
Any person claiming to be the proprietor of any new and original design not previously published in India may apply registration of the design. For the purpose of registration goods are classified into 14 classes.

An applicant may endorse on the application a brief statement of the novelty he claims for his design as for example: “novelty resides in the shape of ash-tray as illustrated”; “novelty resides in the shape or configuration in the bookshelf as illustrated”; “novelty resides in the ornamental surface pattern of the football as illustrated; “novelty is claimed for the floral ornamentation of the pot as illustrated” and so on.

If the application is in order and satisfies the requirements of the Act and the Rules the controller will accept the application and register it. The design when registered will be registered as of the date of the application for registration.

Certain emblems and seals like the emblem and seal of the United Nation organisation, of the world Health organization, of the Government of India or any State and the Indian National Flag are not registrable as designs.

Registration of the design in the first instance will be for a period of five years, which can be extended twice by five years at a time. Thereafter, the copyright in the design becomes public property and anyone can use it. There is provision for correction of clerical errors and cancellation and rectification of the register.

Cancellation of registration of a design can be effected by an order of the High Court on the petition of a person interested on the grounds that the design has been previously registered, or that it has been published in India Prior to the date of registration, or that the design is not new or original. Rectification of any entry in the register except cancellation of the entire registration on certain grounds may be effected by the controller on an application by a person aggrieved.

The registered proprietor of the copyright in a design may assign the design or grant licenses to use the design or otherwise deal with the design. The assignment or license should be in writing and registered with the controller.
Where a design is registered it is not open to inspection by the public until two years from the date of registration except by specified persons (Section 50 of the Designs Act).

The right conferred by registration of a design is called 'copyright'. This appears to be a misnomer, as it has no resemblance to the copyright under the copyright Act. This right is a monopoly right more akin to the right given under the Patents Act.

Copyright in an industrial design or product design is governed by the Designs Act 1911. If a design is registered under this Act it is not eligible for protection under the copyright Act even though it may be original artistic work. In the case of a design which is capable of registration under the designs Act, but not so registered, copyright will subsist under the copyright Act, but it will cease to exist as soon as any article to which the design has been applied has been reproduced more than fifty times by an industrial process by the owner of the copyright. Therefore, it is highly recommended that industrial designs be registered under the Designs Act.

**Procedure for Registration of a Design**

1. Submission of Application
2. Acceptance/Objections/Refusal
3. Removal of objections/Appeal to Central Government
4. Decision of Central Government
5. Registration of the Design

*Figure 4.2*
Rights conferred by Registration

The registered proprietor of a design has the exclusive right to apply a design to any article in any class in which it is registered. This right is called a copyright in the design. The nature of the copyright is different from the copyright under the copyright Act.

The rights conferred by registration is subject to the following conditions:

- The design applied to the article is one, which has been registered by the controller.
- The articles on which the design is applied should be marked with the word "Registered" or its abbreviation ‘Regd’ or ‘RD’ followed by the registration number. This requirement is waived in the case of designs registered for lace and printed or woven designs on textile goods. These exceptions are made having regard to the practical difficulty of marking.

If the proprietor fails to apply the marking as above, he will not be entitled to recover any penalty or damages in respect of any infringement of copyright unless he shows that he has taken all precautions to ensure the marking of the article or that the infringer had knowledge of the existence of the copyright in the design.

Registration does not in fact give any exclusive right to the registered proprietor. What it gives is the right to stop other from infringing his registration by making, applying the design or importing articles bearing the design and so on. Registration is not a guarantee of its validity since the official novelty search is a very limited one.

Infringement of Copyright

Infringement of copyright is a design-piracy of registered design. Infringement of a copyright in Design is termed as “Piracy of a registered Design”. It is not lawful for any person during the existence of copyright to do the following acts without the consent or licence of the registered proprietor of the design. Section 58 lays down that the following act amount to piracy:

(i) To publish or to have it published or expose for sale any article of the class in question on which either the design or any fraudulent or obvious imitation has been applied.
(ii) To either apply or cause to apply the design that is registered to any class of goods covered by the registration, the design or any imitation of it.
To import for the purpose of sale any article belonging the class in which the design has been registered and to which the design or a fraudulent or obvious imitation there of has been applied.

In fact any unauthorized application of the registered design or a fraudulent or obvious imitation thereof to any article covered by the registration for trade purpose or the import of such articles for sale is a piracy or infringement of the copyright in the design.

**Meaning of Fraudulent/Obvious Imitation**

A distinction is made between fraudulent and ‘obvious imitation’. The only common factor between the two is that both should be imitations. Thus even in the case of fraudulent imitation the design applied must be an imitation of the registered design. In a fraud the imitation has been made with the intention to deceive another person with the knowledge that what is being done is a violation of the other person’s right. Where therefore, fraudulent imitation is established even if the imitation is rather clumsy and not obvious the court will declare it as an infringement of copyright in the design. There must be exact duplication, an imitation of the registered design. Nothing less than imitation is sufficient to establish piracy.

Fraudulent imitation must mean this “If a man knowing that the pattern is a registered design, goes and imitates it, and does that without sufficient invention on his own part, that would be fraudulent imitation, if in fact it is an imitation (an exact copy of the registered design)”.

**Test to Determine whether Infringement**

The court has to determine whether the alleged infringement has the same shape or pattern and must eliminate the claim of similarity due to similarity of functions, e.g., similarity of functions would result when two articles have same shape due to the inherent nature of goods, two pens will necessarily be similar in having an ink-tube, a cap and a nib for writing. This element of functional similarity is to be eliminated. The judge has to look at the two articles and check out their similarities and differences and through the eyes of person with average intelligence see whether the defendant’s article is substantially different from that of the plaintiff.
Judicial Remedy

The judicial remedy for infringement of a registered design recommended in the Act is damages along with an injunction. Section 53 (2) stipulates remedy in the form of payment of a certain sum of money by the person who pirates a registered design. A suit in the appropriate manner for seeking the relief in the form of an injunction is also recommended.

Jurisdiction of the Court

A suit under section 53 is to be instituted in a district court or a High court depending upon the quantum of damages claimed. The provisions of this section do not exclude action for passing off and for rendition of accounts. A person complaining infringement of his design can certainly ask for accounts from the defendant to show the profits earned by the defendant would be the loss sustained by him which he could claim as damages. A suit for injunction restraining infringement of registered design and for rendition of accounts is therefore maintainable only when filed in the appropriate court.

Burden of Proof

The general principle of law is that the party making the charge, i.e. accusing another party of an act has to establish the occurrence of such an act. The burden of proof is thus on the plaintiff who brings an action to establish the fact of piracy of his design. The facts which a plaintiff has to establish to prove piracy of a design are:

- The copyright in the design exists on the date of piracy.
- The design or a fraudulent or an obvious imitation thereof has been applied to the article or class of articles/goods for which his design is registered.
- The design or its imitation has been applied without the licence or writing consent of the registered proprietor.
- The article to which the design has been applied comes within the scope of description of goods covered by registration.
- The application of the design by the pirator has been made for the purpose of sale of the article, i.e., to gain commercial benefit from the act of infringement.
The defendant has applied the design or caused the design to be applied or done anything with a view to enable the design to be so applied to the article or the defendant has imported for the purpose of sale the article bearing the design in its imitation without the consent of the registered proprietor or the defendants had published or exposed or caused to be published or exposed for sale the offending article knowing that it is a pirated or infringing article.

Reciprocal Arrangement with U.K. and other Commonwealth Countries

Section 78A incorporates an arrangement with United Kingdom and other commonwealth countries.

Accordingly application made for protection of any industrial design under Indian Designs Act 1911, shall be in priority to other applicants and shall have the same date as the date of application in the United Kingdom, provided that:

- The application is made within 6 months from the application for protection in the United Kingdom and
- Nothing in this section shall entitle the proprietor of the design to recover damages for infringement happening prior to the actual date on which the design is registered in India.

INDIAN PENAL CODE

Introduction

The Act is known as Indian Penal Code, 1860 and extends to the whole of India except the state of Jammu and Kashmir. Every person shall be liable to punishment under this code and not otherwise for every act or omission contrary to the provisions thereof, of which he shall be guilty within India.

Dealing in Counterfeit Products

"Dealing in counterfeit products is an offence under the Indian Penal code."

Section 28 of this code provides "a person is said to counterfeit who causes one thing to resemble another thing, intending by means of that resemblance to practice deception, or knowing it to be likely that deception will thereby be practiced. It is not essential that an imitation
need be exact. It the resemblance causes another to be deceived, it is sufficient to say act of counterfeiting has been committed.

Thus, this code has considered goods to be counterfeit if the resemblance is total or near total. In other words “Counterfeits” include pass-offs for the purposes of the code.

Dishonesty and fraud are not the essential, pre-requisites of counterfeiting. As cited above intention to practice deception or knowledge that deception is likely to be thereby practiced is alone sufficient. That intention may now, since the enactment of 1889, be presumed if the resemblance is such that deception may, in fact, be produced.

Counterfeit under the code not only covers registered trademarks but also unregistered marks. This code refers to such marks as property marks.

Property Mark: A mark used for denoting that moveable property belongs to a particular person is called a property mark. (Sec. 479). The distinction between “trade-mark” and “property mark” is peculiar to this code; it is non-existent in English law. The distinction is important, because its infringement entails the penalty prescribed in Sec. 481 and a property mark, unlike a trademark, need not be either registered or protected, so as to entitle the owner to proceed against persons falsely using it.

A trademark is a mark for denoting that goods are the manufacture or merchandise of a particular person. A property mark is a mark used for denoting that moveable property belongs to a particular person. The one refers to ownership of a symbol; the other, to rights in property. But both the trade and property marks have the same purpose in view, namely, the protection of one’s goods against their fraudulent imitation by another, and both may be used by the manufacturer as well as the merchant. For example, the Singer Manufacturing Co. are known to make both sewing machines as well as bicycles and it is conceivable that they might make motor Cars, swords and cutlery as well. Now they have distinct marks for each of their goods which is their trade mark, but they may choose to designate all their goods as “Singer’s make” to distinguish them from similar goods manufactured by other makers, in which case the expression “Singer’s make” would become their property mark entitled to protection under this section.
So again, a merchant may stamp his wares with his own name or with any device, though they may not bear any recognized trademark, in which case the impression would be his property mark within the meaning of this section. The National Bank of India imported from England, for sale in India, bars of gold of uniform touch, weight and size, with the words “National Bank of India” impressed thereon in Gujarati, as “Nasranna Bank” which, on account of their uniform quality obtained special value in the market. The accused placed on the market similar bars of gold marked “Nasranna Bank;” whereupon he was prosecuted under Sec. 481; and the question was whether the National Bank had any property mark in the bars. It was contended for the accused that the term was flexible being intended to denote a mark impressed to donate that a certain thing was one’s own property and that the moment it ceased to belong to the owner by whom the mark had been impressed, the property mark ceased to be so; or in other words the property mark ceased with the ownership of goods. But as the court remarked: “This interpretation assumes that a property mark put upon any article by any person to denote his ownership is confined to that article and no other property belonging to him. But I think that a property mark is intended to denote ownership over all moveable property belonging to him whether it is all of one kind or different kinds. So long as the person owns moveable properties, his property mark which has been or may be impressed upon them remains his, though any particular article out of it may after such impression pass out of his hands and cease to be his.”

Property mark must, however, relate to moveable property. The term “moveable property” does not include incorporeal property. The term is here used collectively as denoting goods of a person. The term is, moreover, wide enough to include one class or species of properties belonging to a single owner. So in the case cited above, though the National Bank may have impressed a large number of bars with their distinctive property mark, the fact that some of them were sold, and replaced by others bearing the same mark, would not, in any way, affect the bank’s right to the property mark which like the trademark, acquires all these essential attributes of property so as to be capable of assignment and protection.

Ordinarily, a property mark is used for the same purpose as a trademark, and the expression “belonging to a particular person” does not necessarily imply his ownership. For
instance, suppose that the gold bars imported by the National Bank were tested by a firm of
assayers of repute say AB, who impressed thereon their name as indicating that the gold was of
a certain uniform quality, and these bars were then further impressed by the National Bank,
would not AB's impression on the bars be as much a property mark as that of the National Bank
has been held to be?

The distinction between a trade-mark and a property mark is that whereas the former
denotes the manufacture or quality of the goods to which it is attached, the latter denotes the
ownership in them.

**Dealing in False Property Mark**

**Using a False Property Mark (Sec. 481)**

Whoever marks any moveable property or goods or any case, package or other
receptacle containing moveable property or goods, or use any case, package or other receptacle
having any mark thereon, in a manner reasonably calculated to cause it to be believed that the
property or goods so marked, or any property or goods, contained in any such receptacle so
marked, belong to a person to whom they do not belong, is said to use a false property mark.

**Punishment for using a false property mark. (Sec-482)**

Whoever uses any false property mark shall, unless he proves that he acted without
intent to defraud be punished with imprisonment of either description for a term, which may
extend to one year, or with fine, or with both.

This section prescribes punishment for using a false trade or property mark. But a
person may use a false trade description as distinct from a false trademark in which case the act
is not a code offence though punishable under the provisions of the Trade Marks Act.

In ordinary offences under the code the burden of proving mens rea or criminal intent
is on the prosecution, and it lies on it to prove all the elements necessary to bring the offence
home to the accused. But in these quasi-crimes, law presumes fraudulent intent from an imitation,
which is reasonably calculated to deceive. The proof of fraudulent intent is unnecessary. At the
same time the presumption it creates is rebuttable and may be rebutted by the accused who may
prove that he had acted innocently and that he had no such intent. The intent to defraud is thus still an essential element of the offences but the code makes a departure from the ordinary rule by inferring it from the fact of imitation. The question, therefore, affects proof but not the principle.

**False trademark and counterfeiting trade mark**

The distinction between false trademark and counterfeit trademark is somewhat subtle. It depends on the degree of resemblance between the false and the genuine trademarks. The offence under Sec. 482 will be complete as soon as a false trademark has been used but under Sec. 486 it is necessary that the goods should be sold or be possessed or exposed for sale.

It is not permissible to hold that the imprinting of a fictitious mark does not amount to counterfeiting. It is by no means necessary that there should be absolute identity. The proper test is whether the general get-up is likely to deceive the unwary purchaser.

**Procedure**

A prosecution for an offence under this section must be instituted within three years of the commission of the offence, or one year of its discovery by the prosecutor, whichever period first expires. This offence is non-cognizable, but a warrant should, ordinarily, issue in the first instance. It is bailable, and compoundable with the permission of the court and is triable by any Magistrate.

An infringement of one’s trademark by another in manner calculated to deceive gives rise to a liability which may be enforced either by a prosecution under the code or by a civil suit for an injunction and damages. The evidence required in each case is the same and though beyond prescribing a rule of limitation for the institution of criminal proceedings, the legislature has given no indication of when the party aggrieved should be entitled to resort to one proceeding rather than another, yet it is evidence that the dual remedies to which the aggrieved party becomes entitled cannot be resorted to at his sole discretion. It would seem that the first and foremost thing that the criminal court has to see is that a party coming to it for redress does so promptly. If there was any undue delay it will refer the complainant to the civil court rather than allow its process to be abused by dilatory proceeding. So it was observed in Madras: “Ordinarily the infringement of a trademark is rather a civil than a criminal wrong, but as civil proceedings may
require much time and expenditure to bring them to a conclusion, the legislature, in its anxiety to protect traders, has allowed resort to the criminal courts to provide a speedy remedy in cases where the aggrieved party is diligent and does not by his conduct show that the case is not one of urgency. But apart from laches and delay, the nature of the dispute may be one more suitable for adjudication by the civil rather than the criminal court.

**Counterfeiting a property mark used by another (Sec. 483)**

Section 483 of this code provides “whoever counterfeits any property mark used by any other person shall be punished with imprisonment of either description for a term which may extend to two years, or with fine, or with both.

This section differs from the last (Sec. 482) in that the accused in committing this offence goes to the length of forging another man’s trademark for the purpose of imposition, which accounts for the enhanced punishment.

**Counterfeiting a trademark**

The question what amounts to the counterfeiting of a trademark is a question of degree. For, having regard to the use of the term “counterfeiting” in another connection, the counterfeit need not be the exact copy of the original. At the same time the two must possess some features in common; otherwise one cannot be called a counterfeit of the other. As used in connection with trademark the term is probably used in a somewhat special sense as implying the exact reproduction of a trademark for the purpose of attracting customer. The term has obviously no application to the use of a receptacle bearing the original trademark for enclosing goods of another make. Nor would it extend to a trademark which is merely a colorable imitation of another but which otherwise possesses features intended to distinguish it from the original. The question then resolves itself into this: what does the appearance of the two trademarks suggest? Did the spurious trade-marker intend to impose on the public by the similarity of his design or did he intend to use it as the original?

But this distinction is somewhat too fine; and in practice the prosecution prefers to charge the accused both under Sec. 482 as well as under this section and Sec. 486.
**Procedure**

No prosecution can be instituted under this section on expiration of three years next after the commission of the offence, or one year after the first discovery thereof by the prosecutor, whichever period first expires. The offence is non-cognizably but a warrant should, ordinarily, issue in the first instance. It is bailable and compoundable with the permission of the court and is triable by any Magistrate. The costs of the prosecution or defense may be ordered to be paid by the court at the close of the trial, and such costs would then be recoverable as fine. It has also the power to order forfeiture of goods in accordance with the provisions of the Trade Marks Act.

**Selling goods marked with a counterfeit property Mark (Sec. 486)**

Section 486 of this code provides whoever sells or exposes or has in possession for sale, any goods or things with a counterfeit property mark affixed to or impressed upon the same or to or upon any case package or other receptacle in which such goods are contained, shall unless he proves-

(a) That, having taken all reasonable precautions against committing an offence against this section, he had at the time of the commission of the alleged offence on reason to suspect the genuineness of the mark, and.

(b) That on demand made by or on behalf of the prosecutor, he gave all the information in his power with respect to the person from whom he obtained such goods or things, or.

(c) That otherwise he had acted innocently,

Be punished with imprisonment of either description for a term, which may extend to one year, with fine, or with both.

This section may be said to constitute abetment of the offence in Sec. 482, for while the latter section punishes the user of a false trade or property mark who may be either the manufacturer or the wholesale importer or merchant this section extends its penalty to those who promote the circulation or consumption of such goods but for whose co-operation they might not secure the necessary market.
The provision of this section are aimed at a retailer who connives with a fraudulent wholesaler or manufacturer to palm off on an unsuspecting public goods which purport to be other than what they are. It has no application to a retailer who makes no attempt at substitution but offers the spurious article at a lower price as being different and cheaper article.

It is not necessary to constitute an offence that the label should be exactly identical provided there is similarity between the two so as to mislead an unsuspecting customer; the requirement of the law is satisfied. But when the complainant has not proved that this label had been in existence for 10 to 12 years as suggested by him, it is not possible to hold that the accused has committed an infringement of the label.

For the purpose of Sec. 486, it is not necessary that the mark in question should be the exclusive property of anybody. The only consideration, which is of importance with reference to the provisions of Sec. 486 is, whether the mark in question has come to be so identified with the merchandise of the person using the mark as to be regarded in the market as a distinctive mark to denote that particular merchandise.

**Conclusion**

An accused would render himself liable to conviction under Sec. 482, if he uses a false trade mark on any goods which may or may not have been manufactured by him. On the other hand, the ingredient of an offence under Sec. 486 is the sale or exposing or possessing for sale goods or things with a counterfeit trade-mark. The offence under the first section will be complete as soon as a false trademark has been used, but under the latter section it will be necessary that goods should be sold or be possessed or exposed for sale. It is, therefore, perfectly legal to sustain a conviction under both the sections.

**DRUGS AND COSMETICS ACT**

The Act is called the Drugs [and cosmetics] Act, 1940. It extends to the whole of India. This act regulates the import, manufacture, distribution and sale of drugs [and cosmetics].

**Definitions**

**Cosmetic**

The word “cosmetic” means any article intended to be rubbed, poured, or sprinkled or sprayed on, or introduced into, or otherwise applied to, the human body or any part thereof for cleansing, beautifying, promoting attractiveness or altering the appearance and includes any article intended for use as a component of cosmetic.
Drug

The word “Drug” means:

(i) all medicines for internal or external use of human beings or animals and all substances intended to be used for or in the diagnosis, treatment, mitigation or prevention of any disease or disorder in human beings or animals, including preparations applied on human body for the purpose of repelling insects like mosquitoes.

(ii) such substances (other than food) intended to affect the structure or any function of the human body or intended to be used for the destruction of [vermin] or insects which cause disease in human beings or animals, as may be specified from time to time by the Central Government by notification in the official Gazette.

(iii) all substances intended for use as components of a drug including empty gelatin capsules; and

(iv) such devices intended for internal or external use in the diagnosis, treatment, mitigation or prevention of disease or disorder in human beings or animals, as may be specified from time to time by the Central Government by notification in the official Gazette, after consultation with the Board.

Manufacture

The word “manufacture” in relation to any drug [or cosmetic] includes any process or part of a process for making, altering, ornamenting, finishing, packing, labelling, breaking up or otherwise treating or adopting any drug [or cosmetic] with a view to its sale [or] distribution but does not include the compounding or dispensing [of any drug, or the packing of any drug or cosmetic] in the ordinary course of retail business; and “to manufacture” shall be construed accordingly.

Spurious Cosmetic and Drug

Under this law, a counterfeit cosmetic or drug produced is considered “Spurious”. A spurious drug or cosmetic is one that is manufactured under a name, which belongs to another drug or cosmetic or is an imitation of another drug or cosmetic.

Condition for Cosmetic or Drug to be Spurious
Section 17B and 17D of this Act provides, “For the purposes of this chapter [chapter IV, Manufacture, Sale and Distribution of Drugs (and cosmetics)], a drug [or cosmetic] shall be deemed to be spurious,-

(a) if it is manufactured under a name which belongs to another drug [or cosmetic]; or
(b) if it is an imitation of or is a substitute for, another drug or resembles another drug [or cosmetic] in a manner likely to deceive or bears upon it or upon its label or container the name of another drug [or cosmetic] unless it is plainly and conspicuously marked so as to reveal its true character and its lack of identity with such other drug [or cosmetic]; or
(c) if the label or container bears the name of an individual or a company purporting to be the manufacture of the drug [or cosmetic], which individual or company is fictitious or does not exist; or
(d) if it purports to be the product of a manufacturer of whom it is not truly a product.

**Action against Spurious Cosmetic and Drug**

If a cosmetic or drug is spurious the Food and Drug Administration (FDA) of the state where it is manufactured or sold, is empowered to cancel the license issued by such an authority. Therefore, consumers or consumer bodies should inform the local office of FDA or local Inspector from the office of FDA about counterfeit cosmetic and request him to prohibit such a sale in the territory of their jurisdiction.

Also, the aggrieved consumer or recognised consumer association is empowered to file a complaint under section 32 of the Act before a Metropolitan Magistrate or First class Judicial Magistrate against the seller or manufacturer of counterfeit or pass-off cosmetic or drug products.

Section 32 of this Act provides for “cognizance of offences. It states-

(i) No prosecution under this chapter (chapter IV of the Act) shall be instituted except by an Inspector [or by the person aggrieved or by a recognized consumer association whether such person is a member of that association or not.]

(ii) No court inferior to that of [a Metropolitan Magistrate or of a Judicial Magistrate of the first class] shall try an offence punishable under this chapter.
(iii) Nothing contained in this chapter shall be deemed to prevent any person from being prosecuted under any other law for any act or omission which constitutes an offence against this chapter.

If the court deems it fit, the manufacturer of such spurious cosmetic or drug products can be impleaded as well under section 32A.

Section 32 A of this Act provides for “Power of court to implead the manufacturer, etc.” It states “where, at any time during the trial of any offence under this chapter alleged to have been committed by any person, not being the manufacturer of a drug or cosmetic or his agent for the distribution thereof, the court is satisfied, on the evidence adduced before it, that such manufacturer or agent is also concerned in that offence, then, the court may, notwithstanding anything contained [in sub-sections (1), (2) and (3) of section 319 of the code of criminal procedure, 1973 (2 of 1974)], proceed against him as though a prosecution had been instituted against him under section 32.

THE PREVENTION OF FOOD ADULTERATION ACT
Introduction and Definitions

The Act is called the prevention of Food Adulteration Act, 1954 and makes provision for the prevention of adulteration of food. It extends to the whole of India.

In this Act unless the context otherwise requires-

(1) “Adulterant” means any material, which is or could be employed, for the purposes of adulteration;

(2) “Adulterated”-an article of food shall be deemed to be adulterated-

(a) if the article sold by a vendor is not of the nature, substance or quality demanded by the purchaser and is to his prejudice or is not of the nature, substance or quality which it purports or is represented to be;

(b) if the article contains any other substance which affects or if the article is so processed as to affect, injuriously the nature, substance or quality thereof;

(c) if any inferior or cheaper substance has been substituted wholly or in part for the article so as to affect injuriously the nature, substance or quality thereof;
(d) if any constituent of the article has been wholly or in part abstracted so as to affect injuriously the nature, substance or quality thereof;

(e) if the article has been prepared, packed or kept under insanitary conditions whereby it has become contaminated or injurious to health;

(f) if the article consists wholly or in part of any filthy, putrid, rotten, decomposed or diseased animal or vegetable substance or is insect-infected or is otherwise unfit for human consumption;

(g) if the article is obtained from a diseased animal;

(h) if the article contains any poisonous or other ingredient which renders it injurious to health;

(i) if the container of the article is composed, whether wholly or in part, of any poisonous or deleterious substance which renders its contents injurious to health;

(j) if any colouring matter other than that prescribed in respect thereof is present in the article, or if the amounts of the prescribed colouring matter which is present in the article are not within the prescribed limits of variability.

(k) if the article contains any prohibited preservative or permitted preservative in excess of the prescribed limits;

(l) if the quality or purity of the article falls below the prescribed standard or its constituents are present in quantities not within the prescribed limits of variability but which renders it injurious to health.

(m) if the quality or purity of the article falls below the prescribed standard or its constituents are present in quantities not within the prescribed limits of variability but which does not render it injurious to health.

Provided that, where the quality or purity of the article, being primary food, has fallen below the prescribed standards or its constituents are present in quantities not within the prescribed limits of variability, in either case solely due to natural causes and beyond the control of human agency then such article shall not be deemed to be adulterated within the meaning of this sub-clause.
(3) “Food” means any article used as food or drink for human consumption other than
drug and water and includes-

(a) any article which ordinarily enters into, or is used in the composition or preparation
of, human food,

(b) any flavouring matter or condiments and

(c) any other article which the central Government may, having regard to its use,
nature, substance or quality declare, by notification in the official Gazette, as
food for the purposes of this Act;

(4) “Manufacture” includes any process incidental or ancillary to the manufacture of an
article of food.

(5) “Misbranded”- an article of food shall be deemed to be misbranded-

(a) if it is an imitation of or is a substitute for or resembles in a manner likely to
deceive another article of food under the name of which it is sold and is not
plainly and conspicuously labelled so as to indicate its true character;

(b) if it is falsely stated to be product of any place or country;

(c) if it is sold by a name which belongs to another article of food;

(d) if it is so coloured, flavoured or coated powdered or polished that the fact that
the article is damaged is concealed or if the article is made to appear better or of
greater value than it really is;

(e) if false claims are made for it upon the label or otherwise;

(f) if, when sold in packages which have been sealed or prepared by or at the
instance of the manufacturer or producer and which bear his name and address,
the contents of each package are not conspicuously and correctly stated on the
outside there of within the limits of variability prescribed under this Act;

(g) if the package containing it, or the label on the package bears any statement
design or device regarding the ingredients or the substances contained therein,
which is false or misleading in any material particular; or if the package is otherwise
deceptive with respect to its contents;
(h) if the package containing it or the label on the package bears the name of a factitious individual or company as the manufacturer or producer of the article;

(i) if it purports to be, or is represented as being, for special dietary uses, unless its label bears such information as may be prescribed concerning its vitamin, mineral or other dietary properties in order sufficiently to inform its purchaser as to its value for such uses.

(j) if it contains any artificial flavouring, artificial colouring or chemical preservative, without a declaratory label stating that fact or in contravention of the requirement of this Act or rules made there under.

(k) if it is not labeled in accordance with the requirements of this Act or rules made there under.

(6) "Package" means a box, bottle, casket, tin, barrel, case, receptacle, sack, bag, wrapper or other thing in which an article of food is placed or packed;

(7) "Premises" includes any shop, stall or place where any article of food is sold or manufactured or stored for sale;

(8) "Sale" with its grammatical variations and cognate expressions, means the sale of any article of food, whether for cash or on credit or by way of exchange and whether by wholesale or retail, for human consumption or use, or use, or for analysis, and includes an agreement for sale, an offer for sale, the exposing for sale or having in possession for sale of any such article, and includes also an attempt to sell any such article;

(9) the words “Unwholesome” and “noxious” when used in relation to an article of food mean respectively that the article is harmful to health or repugnant to human use.

Thus counterfeit or pass-off packaged food products are termed as “misbranded” articles of food under this law.

**Prohibition of Sale or Manufacture of Misbranded Food Articles**

Section 7 of the Act prohibits sale or manufacture of misbranded food articles. It provides for “prohibition of manufacture, sale, etc, of certain articles of food. It states-
No person shall himself or by any person on his behalf manufacture for sale, or store, sell or distribute-

(i) any adulterated food;
(ii) any misbranded food;
(iii) any article of food for the sale of which a licence is prescribed, except in accordance with the conditions of the licence;
(iv) any article of food the sale of which is for the time being prohibited by the food (Health) Authority [in the interest of public health];
(v) any article of food in contravention of any other provisions of this Act or of any rule made there under; [or]
(vi) any adulterant

**Analysis of food**

The consumers or consumer bodies can get the counterfeit article of food tested by the public analysts appointed in his behalf by the Government under section 8 of the Act. The Central Government or the State Government may, by notification in the official Gazette, appoint such persons as it thinks fit, having the prescribed qualifications to be public analysts for such local areas as may be assigned to them by the Central Government or the State Government, as the case may be:

Provided that no person who has any financial interest in the manufacture, import or sale of any article of food shall be appointed to be a public analyst under this section. Different public analysts may be appointed for different articles of food.

The central Government or the state Government may, by notification in the official Gazette, appoint such persons as it thinks fit, having the prescribed qualifications to be food inspectors for such local areas as may be assigned to them by the Central Government or the State Government, as the case may be.

Provided that no person who has any financial interest in the manufacture, import or sale of any article of food shall be appointed to be a food inspector under this section.
Every food inspector shall be deemed to be a public servant within the meaning of section 21 of the Indian penal code [45 of 1860] and shall be officially subordinate to such authority as the Government appointing him, may specify in this behalf.

**Power of food inspectors**

(1) A food inspector shall have power

(a) To take samples of any article of food from-
   (i) any person selling such article;
   (ii) any person who is in the course of conveying, delivering or preparing to deliver such article to a purchaser or consignee;
   (iii) a consignee after delivery of any such article to him; and

(b) To send such sample for analysis to the public analyst for the local area within which such sample has been taken;

(c) with the previous approval of the local (Health) authority having jurisdiction in the local area concerned or with the previous approval of the Food (Health) Authority, to prohibit the sale of any article of food in the interest of public health.

**Procedure to be followed by food inspectors**

(1) When a food inspector takes a sample of food for analysis, he shall-

(a) give notice in writing then and there of his intention to have it so analysed to the person from whom he has taken the sample and to the person, if any, whose name, address and other particulars have been disclosed under section 14A;

(b) except in special cases provided by rules under this Act, divide the sample then and there into three parts and mark and seal or fasten up each part in such a manner as its nature permits and take the signature or thumb impression of the person from whom the sample has been taken in such place and in such manner as may be prescribed.

Provided that where such person refuses to sign or put his thumb impression the food inspector shall call upon one or more witnesses and take his or their signatures or thumb impressions, as the case may be, in lieu of the signature of thumb impression of such person;

(i) send one of the parts for analysis to the public analyst under intimation to the local (Health) Authority; and
(ii) send the remaining two parts to the local (Health) Authority for the purposes of sub-section (2) of this section and sub-sections (2A) and (2E) of section 13.

(2) Where the part of the sample sent to the public analyst under sub-clause (i) of clauses (c) of sub-section (i) is lost or damaged the local (Health) Authority shall, on a requisition made to it by the public analyst or the food inspector dispatch one of the parts of the sample sent to it under sub-clause (ii) of the said clause (c) to the public analyst for analysis.

(3) When a sample of any article of food [or adulterant] is taken under sub-section (1) or sub-section (2) of section 10, [the food inspector shall, by the immediately succeeding working day, send a sample of the article of food or adulterant or both, as the case may be] in accordance with the rules prescribed for sampling to the public analyst for the local area concerned.

(4) An article of food seized under sub-section (4) of section 10, unless destroyed under sub-section (4A) of that section, and any adulterant seized under sub-section (6) of that section, shall be produced before a magistrate as soon as possible and in any case not later than seven days after the receipt of the report of the public analyst.

Provided that if an application is made to the magistrate in this behalf by the person from whom any article of food has been seized, the magistrate shall, by order in writing direct the food inspector to producer such article before him within such time as may be specified in the order.

(5) If it appears to the magistrate on taking such evidence, as he may deem necessary—

(a) that the article of food produced before him under sub-section (4) is adulterated or misbranded, he may order it—

(i) to be forfeited to the Central Government, the State Government or the local authority, as the case may be; or

(ii) to be destroyed at the cost of the owner or the person from whom it was seized so as to prevent its being used as human food; or

(iii) to be so disposed of as to prevent its being again exposed for sale or used for food under its deceptive name; or
(iv) to be returned to the owner, on his executing a bond with or without
securities for being sold under its appropriate name or, where the
magistrate is satisfied that the article of food is capable of being made to
conform to the prescribed standards for human consumption after
reprocessing, for being sold after reprocessing under the supervision of
such officer as may be specified in the order.

(b) that the adulterant seized under sub-section (6) of section 10 and produced
before him is apparently of a kind which may be employed for purposes of
adulteration and for the possession of which the manufacturer distributor or dealer
as the case may be, is unable to account satisfactorily, he may order it to be
forfeited to the Central Government, the State Government or the local authority,
as the case may be.

(6) If it appears to the magistrate that any such-

(a) article of food is not adulterated; or
(b) adulterant which is purported to be an adulterant is not an adulterant.

The person from whose possession the article of food or adulterant was taken shall be
entitled to have it restored to him and it shall be in the discretion of the magistrate to award such
person from such fund as the State Government may direct in this behalf, such compensation not
exceeding the actual loss which he has sustained as the magistrate may think proper.

Further, the aggrieved consumer has a right to demand through the food inspector, the
infringer to disclose the name and address and other particulars of persons from whom the
infringer bought the articles of food. This is provided under section 14A of the Act.

Penalties

Section 16 of this Act Provides:

(1) subject to the provisions of sub-section (1A), if any person-

(a) whether by himself or by any other person on his behalf; imports into India or
manufactures for sale, or stores, sells or distributes any article of food.

(i) Which is adulterated within the meaning of sub-clause (m) of clause (ia)
of section 2 or misbranded within the meaning of clause (ix) of that section
or the sale of which is prohibited under any provision of this Act or any rule made there under or by an order of the food (Health) Authority;

(ii) other than an article of food referred to in sub-clause (i) in contravention of any of the provisions of this Act or of any rule made there under; or

(b) Whether by himself or by any other person on his behalf, imports into India or manufactures for sale, or stores, sells or distributes any adulterant which is not injurious to health; or

(c) Prevents a food inspector from taking a sample as authorised by this Act; or

(d) prevents a food inspector from exercising any other power conferred on him by or under this Act; or

(e) being a manufacturer of an article of food, has in his possession or in any of the premises occupied by him, any adulterant which is not injurious to health; or

(f) uses any report or certificate of a test or analysis made by the Director of the central food Laboratory or by a public analyst or any extract thereof for the purpose of advertising any article of food; or

(g) whether by himself or by any other person on his behalf gives to the vendor a false warranty in writing in respect of any article of food sold by him.

He shall, in addition to the penalty to which he may be liable under the provisions of section 6, be punishable with imprisonment for a term which shall not be less than six months but which may extend to three years, and with fine which shall not be less than one thousand rupees.

Also the consumer or consumer bodies can lodge a complaint with the police. Who on their own can take the infringer into custody under section 20 of the Act.

CONSUMER PROTECTION ACT

Introduction

The consumer is the forgotten man of the modern Indian economy. In general, consumers are scattered over the country, least organised and generally taken for granted as one who has anyhow to buy in order to live. Besides, they have an additional handicap, namely, majority of
consumers are ignorant and usually lack information to make intelligent purchases. In many cases, they are incompetent to protect their interests, particularly when they deal with fully organised, united and well-informed professional sellers.

In our country, where the majority of consumer is illiterate and ill-informed and has limited purchasing power and are not in a position to meet the basic necessities of life. Adulteration, variation in the contents of the pack, use of deceptively similar names/marks or deceptive advertising claims are all the ways and means by which the consumer is exploited to the maximum extent possible.

In economics, it is said that the act of production is not complete until the commodity is in the hands of the ultimate consumer. All production is, in fact, for consumption directly or indirectly. It is true that consumption should be the sole end and purpose of all production. In a free market economy, it is said that consumer is the king. He communicates his decision or wish through price, every rupee representing a ballot paper and the prime regulator of our economic life.

In reality, consumer is not a king. At the most, he is a prince without a privy purse and is often indistinguishable from a serf or a pauper. He pays more and earns much less in the real terms. He is the one who is often cheated and fleeced—even given shoddy and adulterated goods.

Thus, there is great need for consumer protection, consumer guidance and consumer education in our country. Consumer seeks protection, advice and information when his rights are adversely affected. The shift from buyer beware to seller beware has increased the role of government in promoting the consumer’s right to safety, the right to be informed, the right to choose, the right to be heard, the right to seek redressal and right to consumer education. These consumer rights constitute Consumer Bill of Rights. In 1962, President John F. Kennedy, in his consumer message, summed up these rights of consumers and paved the way for organised consumerism in the U.S.A. and all over the world.

The Indian Parliament enacted the Consumer Protection Act in December, 1986. It came into force on April 15, 1987. The object of the legislation, as the preamble of the Act proclaims, is ‘for better protection of the interests of consumers’. The Act was amended in
1993. The Amendment Act has tried to plug loopholes and enlarge the scope of area covered, and entrust more powers to the consumer courts’

What is Consumer Protection?

**Meaning of Consumer Protection**

- **Consumer protection means the physical protection of the consumer, for e.g. protection against products that are unsafe or endanger the health.**
- **Consumer protection means the protection of the consumer against deceptive and unfair trade practices. Consumer must have adequate rights and means of redress against business malpractice’s and frauds.**
- **Ecological and environmental effects of chemical, fertiliser or refinery complexes pollute water, air and food and endanger human life. Consumer wants due protection against all types of pollution. Consumer wants a healthy environment free from pollution.**
- **Consumer Protection means adequate protection of consumer against the abuse of monopoly position and/or restrictive trade practices. Protection delayed is protection denied.**

**Box 4.3 Why Consumer Protection?**

Consumer protection is essential for a healthy economy. Greater and free competition in the market is of definite advantage to the consumer. Competition can reduce prices, enhance quality and stimulate innovation in product-mix and marketing-mix. Innovation means progress and progress means life, a prosperous life. Competition is the dispenser of justice to the consumer and producer alike.

The ‘Why’ of consumer protection is clearly evident from the following:

(i) Consumer has no voice in the product, which is manufactured for his consumption. Hence, consumer naturally demands the existence of fair trade practices, which would ensure physical safety when he consumes the product. Similarly, fair trade practices will enable him to get the real value for his money.

(ii) It is very difficult to effectively organize consumers in country as vast as India. The backwardness of people is a further obstacle to consumer organization.

(iii) A majority of the population is illiterate and ignorant.

(iv) Poverty, lack of education, lack of information, traditional outlook of Indians to
suffer in silence, considering poverty and misery as a God-given things- all these negative sides of life have enabled unscrupulous businessman to exploit consumers. To prevent this ruthless exploitation, a forceful well-organised consumerism or consumer movement coupled with Government support and patronage in the form of special legislation is needed.

(v) The advancement in science and technology has increased the difficulties of the consumer along with his opportunities of selection from a very wide variety of goods. Increasing technical complexity of consumer goods, especially those containing machinery clearly points out that consumers cannot know the ins and outs of such goods.

The consumer choice is influenced by mass advertising and other promotional devices, utilising highly developed art of persuasion. But, most of the advertising and promotion today are deceptive or misleading. Hence, consumer cannot know that, the brand is original or is advertised by the original manufacturer and whether the drug preparations meet the minimum standards of safety, quality and efficacy. He usually does not know whether one processed food has more nutritional value than another. He may not know whether the performance of a product will infact meets his needs or whether the large economy size, or the best buy is really a bargain.

Therefore, in the present intricate and complicated market, consumers do need protection against fake products, deceptive and misleading advertisements and sales promotion devices etc.

**Important Definitions**

**Consumer**

The term “Consumer” as per Section 2(1)(d) of the Act, means any person who-

(i) buys any goods for a consideration which has been paid or promised or partly paid and partly promised, or under any system of deferred payment and includes any user of such goods other than the person who buys such goods for consideration paid or promised or partly paid or partly promised, or under any system of deferred payment when such use is made with the approval of such person, but does not include a person who obtains such goods for resale or for any commercial purpose; or
(ii) [hires or avails of] any services for a consideration which has been paid or promised or partly paid and partly promised, or under any system of deferred payment and includes any beneficiary of such services other than the person who [hires or avails of] the services for consideration paid or promised, or partly paid and partly promised, or under any system of deferred payments, when such services are availed of with the approval of the first-mentioned person.

"Commercial Purpose" does not include use by a consumer of goods bought and used by him exclusively for the purpose of earning his livelihood, by means of self-employment.

**Consumer Dispute**

Sec. 2(1)(e) of the consumer protection Act defines "Consumer Dispute" as a dispute where the person against whom a complaint has been made, denies or disputes the allegations contained in the complaint.

**Defect**

As per Sec. 2(1)(f) of the Act "defect" means any fault, imperfection or shortcoming in the quality, quantity, potency, purity or standard which is required to be maintained by or under any law for the time being in force or [under any contract, express or implied, or as is claimed by the trader in any manner whatsoever in relation to any goods.

**Deficiency**

"Deficiency" as per Sec 2(1)(g) means any fault imperfection, shortcoming or inadequacy in the quality, nature and manner of performance which is required to be maintained by or under any law for the time being in force or has been undertaken to be performed by a person in pursuance of a contract or otherwise in relation to any service.

**Restrictive Trade Practice**

As per Sec 2(1)(nn) of the act, "restrictive trade practice" means any trade practice which requires a consumer to buy, hire or avail of any goods or as the case may be, services as a condition precedent for buying, hiring or availing of other goods or services.

**Trader**

According to Sec 2(1)(q) "trader" in relation to any goods means a person who sells or distributes any goods for sale and includes the manufacturer thereof, and where such goods are sold or distributed in package form, includes the packer thereof.
Unfair Trade Practice

As per Sec 2(1) (r) “Unfair trade practice” means a trade practice which, for the purpose of promoting the sale, use or supply of any goods or for the provision of any service, adopts any unfair method or unfair or deceptive practice including any of the following practices, namely-

(1) The practice of making any statement, whether orally or in writing or by visible representation

(i) Falsely represents that the goods are of a particular standard, quality, quantity, grade, composition, style or model;

(ii) Falsely represents that the services are of a particular standard, quality, or grade;

(iii) Falsely represents any re-built, second-hand, renovated, reconditioned or old goods as new goods;

(iv) Represents that the goods or services have sponsorship, approval, performance, characteristics, accessories, uses or benefits which such goods or services do not have;

(v) Represents that the seller or the supplier has a sponsorship or approval or affiliation which such seller or supplier does not have;

(vi) Makes a false or misleading representation concerning the need for or the usefulness of, any goods or services;

(vii) Gives to the public any warranty or guarantee of the performance, efficacy or length of life of a product or of any goods that is not based on an adequate or proper test thereof:

Provided that where a defence is raised to the effect that such warranty or guarantee is based on adequate or proper test, the burden of proof of such defence shall lie on the person raising such defence;

(viii) Makes to the public a representation in a form that purports to be-

(a) A warranty or guarantee of a product or of any goods or services;

Or

(b) A promise to replace, maintain or repair an article or any part thereof or to repeat or continue a service until it has achieved a specified result, If such purported warranty or guarantee or promise is materially misleading or if there is no reasonable prospect that such warranty, guarantee or promise will be carried out;
(ix) Materially misleads the public concerning the price at which a product or like products or goods or services, have been or are, ordinarily sold or provided, and, for this purpose, a representation as to price shall be deemed to refer to the price at which the product or goods or services has or have been sold by sellers or provided by suppliers generally in the relevant market unless it is clearly the price at which the product has been sold or services have been provided by the person by whom or on whose behalf the representation is made;

(x) Gives false or misleading facts disparaging the goods, services or trade of another person.

Explanation: For the purpose of clause (1), a statement that is-

(a) Expressed on an article offered or displayed for sale, or on its wrapper or container, or

(b) Expressed on anything attached to, inserted in, or accompanying, an article offered or displayed for sale, or on anything on which the article is mounted for display or sale; or

(c) Contained in or on anything that is sold, sent, delivered, transmitted or in any other manner whatsoever made available to a member of the public,

Shall be deemed to be a statement made to the public by, and only by, the person who had caused the statement to be so expressed, made or contained;

(2) Permits the publication of any advertisement whether in any newspaper or otherwise, for the sale of supply at a bargain price, of goods or services that are not intended to be offered for sale or supply at the bargain price, or for a period that is, and in quantities that are, reasonable, having regard to the nature of the market in which the business is carried on, the nature and size of business, and the nature of the advertisement.

Explanation: For the purposes of clause (2), “bargaining price” means-

(a) A price that is stated in any advertisement to be a bargain price, by reference to an ordinary price or otherwise, or

(b) A price that a person who reads, hears or sees the advertisement, would reasonably understand to be a bargain price having regard to the prices at which the product advertised or like products are ordinarily sold;
(3) Permits-

(a) The offering of gifts, prizes or other items with the intention of not providing them as offered or creating impression that something is being given or offered free of charge when it is fully or partly covered by the amount charged in the transaction as a whole;

(b) The conduct of any contest, lottery, games of chance or skill, for the purpose of promoting, directly or indirectly, the sale, use or supply of any product or any business interest;

(4) Permits the sale or supply of goods intended to be used, or are of a kind likely to be used, by consumers, knowing or having reason to believe that the goods do not comply with the standards prescribed by competent authority relating to performance, composition, contents, design, constructions, finishing or packaging as are necessary to prevent or reduce the risk of injury to the person using the goods;

(5) Permits the hoarding or destruction of goods, or refuses to sell the goods or to make them available for sale or to provide any service, if such hoarding or destruction or refusal raises or tends to raise or is intended to raise, the cost of those or other similar goods or services.

Rights of Consumers

The consumer’s rights include the right not to buy a product that is offered for sale, to expect the product to be safe, to expect the product to be what it is claimed to be, to be adequately informed about the more important aspects of the product, to be protected against questionable production and marketing practices and to influence products and marketing practices in directions that will enhance the “quality of life”. He has a right to receive proper and efficient service and satisfaction.
Section 6 provides for the objects of the Central Consumer Protection Council. It has to promote and protect the rights of the consumers. These are:

I  **The Right of Safety** i.e., the right to be protected against the marketing of goods which are hazardous to life and property. There are various risks involved in the consumption and use of products, such as electrical appliances, drugs, cosmetics, pressure cookers etc. The products may cause even risk to life on the slightest lapse in their use.

II  **The Right to be informed** i.e., the right to be informed about the quality, quantity, potency, purity, standard and price of goods so as to protect the consumer against
unfair trade practices. The consumer should be given relevant information in detail about

(i) the product, including the name and address of manufacture, date of manufacture, ingredients, technical specifications, etc.

(ii) the precautions, if any, to be taken, in the use of product and its proper maintenance and up-keep;

(iii) the strength, durability, serviceability and re-use value of the product;

(iv) the cost structure of the product, the reliability of the quality, the side and/or after-effects (especially in the case of drugs), risks involved in the use of household gadgets, toys for children etc.

III The Right to choose i.e., the right to be assured, wherever possible, access to a variety of goods at competitive prices. The consumer should be given the right to make evaluation of the alternative products and to accept the one which he chooses. He should not at all be made the victim of high-pressure and aggressive salesmanship.

IV The Right to be heard i.e., the right to be heard and to be assured that consumer's interest will receive due consideration at appropriate forums. This right includes the right to make protest. The consumer can exercise this right either himself or through consumer's associations or through letters to newspapers. Many business houses maintain Consumer Affairs Departments to entertain the consumer's feedback about their products.

V The Right to Seek Redressal i.e., the right to seek redressal against unfair trade practices or unscrupulous exploitation of the consumer. The consumer has a right to get his claims and complaints settled against the manufacturers and sellers. The various fora under the Act, act as redressal agencies for this purpose.

VI The Right to Consumer Education. Consumer education is an important determinant of consumer protection and satisfaction. This will help a consumer in protecting himself against fraudulent, deceitful and grossly misleading information, advertising, labelling, or other practices. He must be told what his rights are, and under what provisions of law, and what remedies are available under the different enactment's.
Three-tier Grievance Redressal Machinery for Enforcement of the Rights of the Consumers

Section 9 provides for establishment of consumer Disputes Redressal Agencies. These are:

(i) District Forum, established by the state government in each district of the state;
(ii) State Commission, established by the state government, in the state, and
(iii) National Commission established by the central government.

The State Government may, however, establish more than one forum in a district, wherever necessary. An aggrieved consumer may file a complaint with either of agencies, keeping in mind the provisions of Ss. 11, 17 and 21, which define their jurisdiction.

Manner in which complaint shall be made (S 12)

A complaint in relation to any goods sold or delivered or agreed to be sold or delivered or any service provided or agreed to be provided, may be filed with a District Forum, by-

(i) the consumer to whom such goods are sold or delivered or agreed to be sold or delivered or such service provided or agreed to be provided;
(ii) any recognised consumers association whether the consumer to whom the goods sold or delivered or service provided or agreed to be provided is a member of such association or not; or
(iii) One or more consumers, where there are numerous consumers having the same interest, with the permission of the District Forum, on behalf of, or for the benefit of, all consumers so interested; or
(iv) the Central or the State Government.

It is not the requirement that drafting of the complaint must be like that of a plaint to be moved in civil court. The complaint should be with the simple purpose of conveying why, how and on what basis damages have been claimed.

If the value of good and compensation amount does not exceed Rs 5 lacs, the consumer can get redressal of the breach of his right by approaching a District Consumer Forum. If it exceeds Rs. 5 lakhs but is less than Rs. 20 lakhs, the consumer can make complaint to State Commissioner. And in cases, where compensation exceeds Rs. 20 lakhs a consumer should approach National Commissioner.
Penalties (S 27)

Where a trader or a person against whom a complaint is made [or the complainant] fails or omits to comply with any order made by the District Forum, the State Commission or the National Commission, as the case may be, such trader or person [or complainant] shall be punishable with imprisonment for a term which shall not be less than one month but which may extend to three years, or with fine which shall not be less than two thousand rupees but which may extend to ten thousand rupees, or with both provided that the District Forum, the State Commission or the National Commission, as the case may be, may, if it is satisfied that the circumstances of any case so require, impose a sentence of imprisonment or fine, or both, for a term lesser than minimum term and the amount lesser than the minimum amount specified.

Thus, the Consumer Protection Act provides simplified, inexpensive and speedy remedy for redressal of consumer’s grievances.

LAWS ABROAD

Trademarks and the United States

Trademarks laws in the United States are outlined under what is commonly known as the Lanham Act or the trademarks Act of 1946. A section was added to deal with false designations of origin or false descriptions of goods. These false claims may be referred to in other countries as passing-off:

Definition of Trademarks

A trademark is any mark, word, letter, number, design, picture or combination thereof in any form of arrangement that:

(a) is adopted and used by a person to denominate goods which he or she markets and is affixed to the goods and;

(b) is not a common or generic name for the goods or a picture of them, or a geographical, personal, or corporate or other association name, or a designation descriptive of the goods or of their quality ingredients properties and functions (Trademark Act s.2,715)

A trade name is any designation that:
(a) is adopted and used by a person to denominate goods which he or she markets or services which he or she renders or a business which he or she conducts, or has to be so used by others; and

(b) through its association with such goods, services, or business, has acquired a special significance as the name thereof (Trademark Act S.2,716)

**Infringement**

On infringes another’s trademark or trade name if:

(a) without a privilege to do so, he or she uses in his or her business, in the manner of a trademark or trade name, a designation which is identical with or confusingly similar to the other’s trademark, though he or she does not use the designation for the purpose of deception; and

(b) The other’s interest in his trade name is protected with reference to:

(i) the goods, services or business in connection with which the actor uses his or her designation, and

(ii) the markets in which the actor uses the designation;

(c) the other’s trademark is not a clear likeness of a third person’s prior and subsisting trademark or trade name in substantially the same market for the same or clearly related goods (Trademark Act S.2,717).

**Passing off**

The false designations of origin and false descriptions are forbidden as follows.

(a) Any person who, on or in connection with any goods or services or any container for goods, uses in commerce any word, term, name, symbol, or device or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which:

(i) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation connection, or association of such person with another person, or as to the origin sponsorship or approval of his or her goods, services, or commercial activities by another person; or

(ii) in commercial advertising or promotion, misrepresents the nature characteristics, qualities or geographic origin of his or her or another persons goods services, or commercial activities.
Shall be liable in a civil action by any person who believes that he or she is or likely to be damaged by such act.

**Testing for likelihood of confusion**

The determination of trademark infringement sometimes depends on establishing whether the public has been confused by the alleged infringer. The courts consider various points in testing for likelihood of confusion.

They are:

(a) the similarity or dissimilarity of the trademark in their entireties as appearance, sound, connotation and commercial impression;

(b) The similarity or dissimilarity and nature of the goods or services as described in an application;

(c) The similarity or dissimilarity of established, likely-to-continue trade channels;

(d) The conditions under which and buyers to whom sales are made, i.e. impulse versus careful sophisticated shopping;

(e) The fame of the prior mark (sales, advertising, length of use);

(f) The number and nature of similar marks in use on similar goods;

(g) The nature and extent of any actual confusion;

(h) The length of time during and conditions under which there has been concurrent use without evidence of actual confusion;

(i) The variety of goods on which a mark is or is not used (house mark, family mark, product mark);

(j) The market must interface between applicant and the owner of a prior mark;
   (i) a mere consent to register to use,
   (ii) agreement provisions designed to preclude confusion, i.e., limitations on continued use of the marks by each party.
   (iii) Assignment of mark, application, registration and good will of the related business.
   (iv) Laches and estoppel attributable to owner of prior mark and indicative of lack of confusion.

(k) the extent to which applicant has a right to exclude others from use of its mark on their goods;

(l) the extent of potential confusion;
(m) any other established fact prohibitive of the effect of use [Trademark Act, S.2(d) 159].

Among the different legal jurisdiction in the United States, there is very little agreement on what factors to consider in testing for likelihood of confusion (Fletcher 1989). Some circuits apply equal weight to many factors, some apply equal weight to only a few factors and some focus on only one or two factors. Each circuit may also consider different factors as the most important.

**Trademarks in Canada**

Any term, symbol, design or combination of these that identifies a business or a product is called a trademark in Canada and is protected under the federal Trademarks Act (1989). A trademark must be registered to be protected under the statute. Exclusive rights and protection are granted for use throughout Canada and in other countries party to the International Trademark Agreement. This protection is granted for fifteen years and is renewable (Yates 1989)

**Definition of a trademark**

In chapter T-13, section 2 of the Trademarks, Act, a trademark is defined as a mark that is used for the purpose of distinguishing goods or services that are of a defined standard with respect to:

(a) the character or quality of the goods or services;

(b) the working conditions under which the goods have been produced or the services performed;

(c) the class of persons by whom the goods have been produced or the services performed; or

(d) the area within which the goods have been produced or the services performed.

From goods or services that are not of that defined standard.

**Confusion**

When the distinguishing aspect is not met, it is said, that the goods or services are confused. The word “confusing” when applied as an adjective to a trademark or trade name, means that the use of a trademark or trade name causes confusion with another trademark or
trade name in the same area. This confusion would be likely to lead to the inference that the goods and services associated with:

(a) those trademarks;
(b) the trademark and those associated with the business carried on under the trade name;
(c) the business carried on under the trade name and those associated with the trademark.

Are manufactured, sold, leased, hired or performed by the same person, whether or not the wares or services are of the same general class (Trademarks Act Chap. T-13.5)

Consideration of what Is Confusing

In determining whether trademarks or trade names are confusing, the court regards the following:

(a) the inherent distinctiveness of the trademarks or trade names and the extent to which they have become known;
(b) the length of time the trademarks or trade names have been in use;
(c) the nature of the wares, services, or business;
(d) the nature of the trade; and
(e) the degree of resemblance between the trademarks or trade names in appearance or sound or in the ideas. Suggested by them (Trademarks Act chap. T-13.5.6[5])

Unfair competition and prohibited marks

No person shall:

(a) make false or misleading statements tending to discredit the business, wares or services of a competitor,
(b) direct public attention to his or her wares, services or business in such a way as to cause or likely to cause confusion in Canada, at the time he or she commenced so to direct attention to them, between his or her wares, services, or business and the wares, services or business of another;
(c) pass off other wares or services as and for those ordered or requested;
(d) make use in association with wares or services, of any description that is false in material respect and likely to mislead the public as to:
   (i) the character, quality quantity or composition,
   (ii) the geographical origin, or
Infringement

The right of the owner of a registered trademark to its exclusive use shall be deemed to be infringed by a person not entitled to its use under this Act who sells, distributes or advertises wares or services in association with a confusing trademark or trade name, but no registration of a trademark prevents a person from making:

(a) any bonafide use of his personal name as a trade name; or
(b) any bonafide use, other than as a trademark,
   (i) of the geographical name of the place of business or
   (ii) of any accurate description of the character or quality of his wares or services, in such a manner as is not likely to have the effect of depreciating the value of the goodwill attaching to the trademark (Trademarks Act chap. T-13, s.20)

Concurrent use of Confusing Marks

Respecting a registered trademark the registration of which is entitled to protection. It is made to appear to the federal court that one of the parties to the proceedings, other than the registered owner of the trademark, had in good faith used a confusing trademark in Canada before the date of filing of the application for that registration, and the court considers that is not contrary to public interest that the continued use of the confusing trademark or trade name should be permitted in a defined territorial area concurrently with the use of the registered trademark. The court may order that the other party may continue to use the confusing trademark or trade name within that area with an adequate specified distinction from the registered trademark [Trademarks Act chap. T-13, s.21 (1)].

Depreciation of Goodwill

No person shall use a trademark registered by another person in a manner that is likely to have the effect of depreciating the value of the goodwill attaching thereto. In any action to the above, the court may decline to order the recovery of damages or profits and may permit the defendant to continue to sell wares marked with the trademark that were in his or her possession or under his or her control at the time the notice was given to him or her that the owner of the
registered trademark complained of the use of the trademark (Trademarks Act chap. T-13, s.22)

**Trademarks and the European Union**

Since the EU is yet to formalized the collective agreement on trademarks. The council of European communities had written a directive relating to trademarks (1989).

**Definition of a community Trademark**

A community trademark may consist of any signs capable of being represented graphically, particularly words, including personal names, designs, letters, numerals the shape of goods or of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings (Trademarks, Dir. 89/104, A.2).

The Council and the Commissioner consider that the definition of a trademark does not rule out the possibility:

- of registering as a community trademark a combination of colours or a single colour;
- of registering in the future, as Community trademarks, sounds, i.e., distinctive audibles,

Provided that they are capable of distinguishing the goods or services of one undertaking from those of other undertakings.

The Council and the Commission consider that the word “shape” is also intended to cover the three dimensional form of goods and that where goods are packaged, the expression “shape of goods” includes the shape of the packaging.

Adoption of this law will make it easier for a trademark to qualify for registration allowing companies to register three-dimensional shapes such as Johnny Walker whiskey bottles, which form part of the brand. so a distinctively shaped bottle will become just as registrable as a brand name.

**Ineligible Trademarks**

The following shall be refused registration as a trademark:

(a) signs which do not conform to the requirements outlined in defining EU trademarks;
(b) trademarks which are devoid of any distinctive character;
(c) trademarks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended, purpose, value, geographical origin, or
the time of production of the goods or rendering of the service or other characteristics of the goods or service;
(d) trademarks which consist exclusively of signs or indications which have become customary to designate the goods or service in the current language or bona fide and established practices of the trade;
(e) signs which consist exclusively of;
   (i) the shape which results from the nature of the goods themselves, or
   (ii) the shape of goods which is necessary to obtain a technical result, or
   (iii) the shape which gives substantial value to the goods;
(f) trademarks which are contrary to public policy or to accepted principles of morality;
(g) trademarks which are of such a nature as to deceive the public, for instance as to the nature, quality or geographical origin of the goods or service;
(h) trademarks which have not been authorized by the competent authorities;
(i) trademarks which include badges, emblems or escutcheons (Trademarks, Dir. 89/104, A.3).

Unfair competition

The Council and the Commission consider that the reference to the law of Member States relating in particular to civil liability and unfair competition is to be construed as including passing off. Passing-off is a term used in common-law countries such as the United Kingdom. It occurs when one person presents goods or services in a way which is likely to injure the business or goodwill of another person, for example by causing the public to believe that they are goods or services associated with that other person. In order to succeed in an action for passing-off, a plaintiff must show that the way his or her goods or services are presented by the defendant is likely to be injured by that confusion. It is not however necessary to show that the defendant intended to mislead or confuse the public.

Licensing

There are five points put forth by the commission with respect to licensing:

1. A community trademark may be licensed for some or all of the goods or services for which it is registered and for the whole or part of the community. A license may be exclusive or non-exclusive.
2. The proprietor of a community trademark may invoke the rights conferred by that trademark against a licensee who contravenes any provision in the licensing contract with regard to duration, the form covered by the registration in which the trademark may be used, the scope of the goods or services for which the license is granted, the territory in which the trademark may be affixed or the quality of the goods manufactured or of the services provided by the licensee.

3. Without prejudice to the provisions of the licensing contract, the licensee may bring proceedings for infringement of a Community trademark only if its proprietor consents thereto. However, the holder of an exclusive license may bring such proceedings if the proprietor of the trademark, after having been given notice to do so, does not bring infringement proceedings.

4. A licensee shall, for the purpose of obtaining compensation for damage suffered, be entitled to intervene in an infringement action brought by the proprietor of the Community trademark.

5. On request of one of the parties the grant or transfer of a license in respect of a Community trademark shall be entered in the Register and published (EC Regulation, 4595/91, A.22 [21]).

**Australian Trademark Law**

Reference to trademark infringement may be found under Section 53 of the Consumer Protection Act of Australia with respect to false or misleading representations. The law states that a corporation shall not, in trade or commerce, in connection with the supply or possible supply of goods or services or in connection with the promotion by any means of the supply or use of goods or services:

(a) falsely represent that the goods or services are of a particular standard, quality, value, grade, composition, style or model or have had a particular history or particular previous use;

(b) represent that goods or services have sponsorship, approval, performance characteristics, accessories, uses or benefits they do not have;

(c) represent that the corporation has a sponsorship, approval or affiliation it does not have;

(d) make a false or misleading representation concerning the place of origin of goods.

---

290
REFERENCES


3) Bakshi, P.M., "legal protection of Brand Names," Chartered Secretary, June 1998, 113-114.


60) www.2.law.cornell.edu

61) www.fake-busters.com

62) www.fatty.law.cornell.edu

63) www.law.cornell.edu

64) www.mahtta.com

65) www.member.tripod.com

66) www.rckain.com/lanham.htm


★ ★ ★ ★