REPORT

of

SHRI JUSTICE N. RAJAGOPALA AYYANGAR

on

TRADE MARKS LAW REVISION

1955
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Letter from Sir William Jarratt  

APPENDIX – III

Staff requirements of the combined office of Patents and Trade Marks  

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Memorandum by Mr. K.T. Chandy
Introduction—General

To

The Minister for Commerce and Industry,

Government of India, New Delhi.

Sir,

By Resolution No. 50(9) — Law(T.M.)/50, dated the 18th November, 1953 the Government of India set up a Trade Marks Enquiry Committee with the following terms of reference:

(i) To consider and report whether any, and if so, what changes in the existing law and practice relating to Trade and Merchandise Marks are desirable;

(ii) To consider particularly the provisions of the Trade Marks Act, 1940. and the Indian Merchandise Marks Act, 1889 as well as of the Indian Penal Code and the Drugs Act, 1940 and other laws in their relation to infringement and fraudulent imitation of Trade Marks and Merchandise Marks, and to suggest ways and means of dealing more effectively with such anti-social activities;

(iii) To recommend what measures should be taken to safeguard the registered owners of Indian Marks in foreign countries;

(iv) To examine the working of the Trade Marks Registry and the services rendered by it to the public and to recommend such changes as may appear desirable;

(v) To consider and report on any other matter incidental to the Administration of the law of Trade Marks and Merchandise Marks bearing on the development of Indian trade and industry.

2. This Committee consisted of (1) Shri K.S. Shavaksha, Bar-at-law, Registrar of Trade Marks, Chairman; (2) Shri Raman Bhai B. Amin, Member; (3) Shri K.T. Chandy, Bar-at-law, Member; (4) Shri A. Alagiriswami, Secretary to the Committee and (5) Mr. C.T. Whyman, Adviser to the Committee. The Committee received several memoranda from a number of Associations and Bodies as well as individuals and also examined a number of persons. After considering these pieces of evidence, they submitted a report to the Government. Two of the members Shri K.S. Shavaksha and Shri K.T. Chandy signed the report while the other Shri Raman Bhai Amin submitted a dissenting report. The majority and minority reports made
exactly opposite recommendations in respect of the main matters which were dealt with by
the Committee. Thereafter Shri Alagiriswami who had acted as secretary of the Committee
was appointed Special Officer to consider the report. As the Government considered that this
report together with the recommendations of the Special Officer should be further examined
by a judicial authority, they appointed me to consider these matters and make recommenda-
tions in the light of the materials gathered by the Committee and the reports by the majority
as well as by Shri Amin vide Government of India Resolution dated 22nd January, 1955.

3. I have accordingly considered the entire material which was placed before the Committee
in the shape of the memoranda as well as the oral evidence tendered and their report with
great minuteness. I have also derived considerable assistance from the observations made by
the Officer on special duty Mr. Alagiriswami who as the Secretary of the Committee was in
an exceptional position to re-assess their recommendations.

4. Mr. Chandy, as chairman of the Trade Marks Owners Association expressed a desire
to meet me and acquaint me with the problems of the registered proprietors of marks and
I accordingly-had long discussions with him on the several questions raised in the report of
the Committee. I acknowledge the assistance I have derived from these discussions and I am
forwarding along with this report the note which Mr. Chandy forwarded to me as summaris-
ing his points.

5. In addition to these materials I have derived considerable advantage by a close reading of
the reports of the Dean and Knowles Committees which considered the desirable alterations
in the Trade Marks law of the Australian Commonwealth and I am greatly indebted to Mr.
Wilmot, Commissioner of Patents, Australia who so readily acceded to my request and sent
me copies of these reports together with the draft of the Australian Act whose adoption the
Committee recommended. In the paragraphs that follow my reference to the report of the
Australian Committee is a reference to the report of the Dean Committee and my reference
to the Australian Act is a reference to the bill as formulated by this Committee which Mr.
Wilmot in his letter to me has stated, was adopted by the Australian Legislature practically
in that form.

6. Mr. Chandy obliged me by sending me a copy of the report of the committee appointed
in Canada to revise the Trade Marks law in that country, which report was presented in
January 1953 as also the revised bill as drafted by them which has been subsequently enacted
practically in that form by the Canadian Legislature, (vide 1 & 2 Eliz. II Co. 49). I have gone
through this report and the provisions of the Canadian Act and I acknowledge the assistance
I derived from them.

7. I have carefully examined the several sections of the Trade Marks Act, 1940 as well as
the Indian Merchandise Marks Act, 1889, the Drugs Act 1940 and the relevant sections of
the Indian Penal Code 1860 to see if any drafting changes were needed to eliminate any ambi-
guity in their construction and in the paragraphs that follow I have set out what I consider
would be an improvement to the several sections of these enactments.

8. I have also independently considered the problems arising in the working of the Trade
Marks’ Act 1940 and the other pieces of legislation referred to in the Government Resolution
in the light of the decisions which have been rendered on the construction of their several
provisions.
9. In the paragraphs that follow I have referred to the Trade Marks Enquiry Committee as the Committee.

10. The law of Trade Marks is based on sound principles of commercial, morality and honesty. It emphasises business integrity, encourages legitimate trading and protects goodwill, established at great expense, against spoliation. Its great aim is to give each trader the fruits of his labour and preserve the reputation built by dint of honest service from being misappropriated by others. It achieves this by restricting competition within legitimate bounds and by the prevention of deception and fraud involved in passing off one’s goods as those of another with a view to obtain illicit benefit from the latter’s fair name in the market; in other words by eliminating “commercial cannibalism”. In common with other forms of industrial property like Patents, Designs and Copyrights it seeks to guarantee to each man the profits accruing from his property. Trade marks, whose protection was originally undertaken by the Courts on the ground of preventing fraud, got in course of time, more and more assimilated to proprietary rights and has finally emerged as a statutory franchise analogous to patent rights and copyright and “the wrong to be redressed is now in cases within the statute conceived no longer as a species of fraud, but as being to an incorporeal franchise what trespass is to the possession or right to possession, of the corporeal subjects of property”.

11. It is of vital importance to health, commerce and trade, that trade marks should be effectively protected and unfair and improper trade practices should be suppressed, but, on the other hand, it is also of equal importance that fair and legitimate competition should not be unduly interfered with. The law of Trade Marks should therefore keep these twin aims in view and while protecting trade marks and the rights of a registered proprietor by suppressing unfair competition in its myriad forms, must also see that the honest trader who has no fraudulent intent is not handicapped in conducting his business. The law must have regard also to the interest of the general public.

12. The function of a trade mark is to give an indication to a purchaser or a possible purchaser, the trade origin of the goods or the trade hands through which the goods pass on their way to the market. The essence of a trade mark and the foundation of trade mark law is therefore distinctiveness. Its meaning and object is that it indicates that a purchaser may take that mark as a warranty that the goods stamped with that mark have come from a particular manufacturer of the goods (per James, L.J., in Massam v. Thorley’s Cattle Food Company — 14 Ch.D. 748). It is this characteristic of distinctiveness that must exist in order to confer exclusive rights which a registration guarantees. When once the mark, having satisfied this requirement, obtains the benefit of registration the aim of the law should be to protect the registered proprietor from loss caused by infringement and the public from deception and fraud and the efficiency of the law will be judged by (1) the facilities it affords in rendering proper marks registrable and (2) the simplicity, inexpensiveness and certainty of the machinery provided for the enforcement of the rights created in the registered proprietor.

13. I do not consider that any jurisdiction or any system of law yet devised has attained this ideal but it must be the constant endeavour of legislators and draftsmen to see that these aims are-kept before themselves and as far as possible sought to be achieved.

14. The prime requisite for any proper system of trade mark law is that the words of the enactment must be absolutely clear and free from any ambiguity. In a memorandum submitted to the Committee appointed by the Canadian Government to revise the Canadian Trade
Marks Act it was suggested “that every sentence in the Act should be so simple and clearly and precisely worded as not to leave the faintest shadow of doubt as to its meaning”. The Canadian Committee has frankly conceded that its draft fell far short of this ideal. The Indian Trade Marks Act, 1940 which has taken most of its language from the British Trade Marks Act of 1938, is farther away from that ideal than the Canadian version. It is true that the draftsmanship of the British Act the language of which has been adopted by the Indian Trade Marks Act, is far from perfect and that it is possible to considerably improve it by simplifying the text, but there is one factor which I think should be borne in mind before one takes liberties with the language of the British Act. The language of that enactment has been the subject of judicial examination and has been interpreted, by authoritative decisions and when the meaning of the words has been thus judicially settled, it appeared to me that it would not be the path of wisdom to attempt a change merely on theoretical or even on artistic grounds. There is a great point in preserving a certain degree of uniformity in the language of the enactment in India with that which prevails in the United Kingdom for the reason that the law relating to trade marks has wider application than in connection with internal trade. The Trade mark law is in modern times or, at least in the post-war world, a matter of international importance and as stated by Lord Atkin (in Shredded Wheat v. Kellogg — 57 R.P.C. at p. 149) “It is of the highest importance that in such an important branch of commercial-law as that relating to trade marks there should be uniformity as far as possible in all countries administering the same system of law.” Bearing these factors in mind I have considered it advisable to retain the existing phraseology in the several provisions notwithstanding that simpler language has been evolved for instance by the draftsman of the Dean Committee of Australia.

15. I consider that it would tend to convenience if my recommendations should, follow the sequence of the sections of the several enactments which will be the subject of consideration by me. But before touching on these sections in their order I consider it proper to express my views on the main recommendations of the Committee. These are three in number and are respectively, (1) the necessity for a special Tribunal (2) the extension of defensive registration to trade marks consisting of other than invented words and (3) making cognizable all offences relating to Trade Marks in the Drugs Act and the Indian Penal Code. It is in regard to these three matters that Shri Amin has expressed his dissent from the recommendations of the majority and; in this he is supported by the Officer on special duty. Having considered the matter very carefully I am of opinion that the recommendations of the majority on none of these three points should be accepted.

16. I shall now proceed to deal with these three matters.

SPECIAL TRIBUNAL

17. Three principal grounds are stated as necessitating the establishment of a special Tribunal for hearing appeals from the decisions of the Registrar under the Act, for entertaining original applications for the rectification of the Register and for adjudicating upon cases of infringement of registered trade marks. These three grounds are (1) to secure uniformity in the administration of trade marks law (2) to secure speed in the adjudication of trade mark disputes and (3) as a means of obtaining accurate and correct interpretation of trade marks law and properly informed decisions on the subject.
18. The Officer on special duty has offered a detailed criticism of this proposal and has adduced several reasons for its rejection. He has also dealt with in detail as to how far the special Tribunal contemplated by the Committee is likely to achieve the purposes they have in view. He has pointed out the expense which such a tribunal would involve to the public and how inconvenient it must be to the litigants in a vast country like India to have a single Tribunal with jurisdiction over the entire country. I have no desire to dwell on these points and consider it sufficient to express my complete agreement with the views of the Special Officer.

19. Out of regard for the Committee I would briefly express my opinion in respect of each of the three points on which principally the recommendation of the Committee rests.

20. **Uniformity.**—The picture drawn by the Committee of the Registrar being under the jurisdiction of 16 High Courts each expressing different views on the provisions of the Act and the Registrar having to obey conflicting rulings is I consider highly overdrawn.

21. I have read the report very carefully as also the memoranda and evidence and I have also had access to all the reported and unreported judgments of the High Courts ever since the Trade Marks-Act 1940 was passed out of the collection mace by Shri Venkateswaran, Registrar of Trade Marks. But I am not able to discover in them any difference of opinion on the construction of the Trade Marks Act sufficient to found an argument that the difference should be resolved by having a Special Tribunal.

22. The Committee have also referred to there being nearly 300 District Courts having jurisdiction in respect of infringement actions and the possibility of the judges of such Courts not being familiar with the refinements of the law relating to the infringements of registered trade marks. If these Judges go wrong, there are High Courts to whom appeals lie and there are even higher Courts where such errors can be corrected. This is not therefore a ground for the establishment of a Special Tribunal.

23. Past history, therefore, does not afford any justification for eliminating the High Courts from exercising their jurisdiction in the matters of appeals from the orders of the Registrar or in rectification proceedings. In this connection it is only necessary to point out that the establishment of a Special Tribunal is no guarantee that different views might not be entertained by the Tribunal in different cases. Only by way of illustration I might point out that even in the same High Court, not to mention the case of different High Courts, there have been differences of opinion among the Judges. A change in the membership of the Tribunal might conceivably lead to different views being expressed by the successor members. In these circumstances, I am clearly of the opinion that uniformity would not necessarily be secured by the establishment of a Special Tribunal.

24. **Expedition** — The delay that has been referred to in the memoranda and the oral evidence placed before the Committee mostly relates to the delay in the disposal of infringement actions. There is no doubt that compared with the United Kingdom the proceedings in Indian Courts take a much longer time to finish and in some cases an inordinately long time. But this delay characterises not merely the disposal of trade mark cases but also the disposal of civil litigation in general. While I am one with the Committee in the necessity to secure expedition in the disposal of trade mark litigation. I consider that there is nothing special about trade mark cases as such but that every case involving commercial law should obtain priority in disposal. I do not consider that the plaintiff in an infringement action suffers more by the
delay in the disposal of the case, than say, a merchant who files a suit on a promissory note or a hundi or an action for the price of goods, or for damages for breach of contract or other commercial cause. It is necessary that all these cases should be expedited and promptly disposed of. In the High Courts having original jurisdiction, as Madras, Bombay and Calcutta there are special rules for marking cases as commercial causes for their being taken up and disposed of quickly. Of course an action for infringement would be classified as a commercial cause and would thus obtain priority for being taken up. In passing I would add that the quotation in the Committee’s report at page 69 from a passage in the judgment of James, L.J. “the very life of a trade mark depends upon the promptitude with which it is vindicated” would appear to imply that the learned Lord Justice was there speaking of the disposal of the case. But what was dealt with by him was that the plaintiff in an infringement action ought not to be guilty of any laches before he approaches the Court. I would suggest that the Civil Procedure Code and the Civil Rules of Practice which govern the District Courts in the various States of the country should be suitably amended so as to direct these Courts also to classify causes as commercial and other than commercial and give first priority to the disposal of commercial causes, and if this suggestion were carried out, I have no doubt that these cases including infringement actions would be promptly attended to and decided.

25. Correct and informed decisions.— It is stated by the Committee that the decisions at present rendered by the High Courts do not show a correct appreciation of the principles of trade marks law and this is urged as one of the reasons why a Tribunal composed of persons stated to be experts on Trade Marks Law should be set up to hear appeals from the Registrar’s decisions on applications and decide rectification applications as well as adjudicate infringement actions. I am wholly unable to agree with this criticism of the existing judiciary and its judges.

26. An examination of the entire material placed before the Committee does not point to any more than two decisions of a High Court (which are also the only ones cited by the Committee) in support of the Committee’s argument that the judges of the several High Courts in general do not possess sufficient knowledge of Trade Marks Law, so as to distinguish between an action for infringement of a trade mark and an action for passing off.

27. Assuming that the criticism is justified one wonders why the above decisions were not taken up on appeal. But apart from this, however, the Committee have themselves referred to and quoted from a number of decisions of the Indian High Courts in dealing with several points of trade marks law which would bear testimony to the fact that these decisions reflect the law correctly. Further, the Judges of these Courts—and in this I am including-District Courts — have to deal with more recondite subjects than trade mark cases and more complicated pieces of legislation than the Trade Marks Act. If they can be trusted to deal satisfactorily with cases arising on the several other branches of the law — and there is no suggestion that they are not doing this satisfactorily—I see no reason why the administration of the Trade Marks Act should be taken away from them on the ground that they are wanting in competency to deal with it. In these circumstances, I feel that there-is no basis for the suggestion that the Judges of the several High Courts or of the District Courts are not sufficiently acquainted with the trade marks law so that it is necessary to constitute an ad hoc Tribunal to take their place.

28. The other points mentioned in this connection such as the lack of adequate library facilities in several of the High Courts, the inadequacy of equipment in the lawyers, and
points like these are too slender a foundation on which to rest as case for withdrawing from the constituted Courts of the country the right to adjudicate upon what is part of the law of the land and invest their function in a special Tribunal created for the purpose.

29. It is stated that there is a public demand, for such Tribunal. I have not been able to get this impression from the examination of the evidence placed before the Committee and I am also otherwise satisfied that it is not so. While on this, there is only one matter to which I would like to refer and that is regarding the value to be attached to public demand assuming that there is such a demand. The Committee themselves refer at page 68 of their report, to the clamour that was voiced before the Herschel Committee in the United Kingdom that all trade mark cases should be heard by the same Judge, Though the Committee’s report reads as if the Herschel Committee made a recommendation accepting this clamour, the fact is that they stood against it and left it to the High Court to make its own arrangements for the allocation of Judges to deal with such cases. In India also the Chief Justices of the several High Courts might be trusted to allocate commercial causes to Judges who are familiar with such branches of law.

30. **Defensive Registration**.— The Committee have recommended the extension of defensive registration to other than invented words. Notwithstanding that such a step has been taken in Australia I am firmly of the opinion that in the condition of things prevailing in India, such a measure is not called for and that the present restriction to invented words should continue and in dealing with section 38 I have adduced reasons for this conclusion.

31. **Criminal prosecutions regarding Trade Marks—Cognizable offences**.— The suggestion of the Committee in this regard is twofold, first, that every infringement of a trade mark should be made a cognizable offence and secondly, that the punishment for infringement of a registered trade mark should be enhanced and should be more severe than for infringement of an unregistered mark. I do not approve of either of these suggestions.

32. The main ground upon which the suggestion to render all offences in relation to trade marks cognizable is made is, that it is difficult to trace the culprit and that as the injured proprietor of a trade mark is most often not in a position to know the identity of the infringer, he cannot proceed against such infringer before a Magistrate and so it is necessary that he should have the assistance of a police officer for the purpose of carrying out searches in likely places in order to ferret out the sources from which spurious goods or goods bearing faked marks emanate. This point was emphasised before me by Mr. Chandy when he discussed the matters referred to me for report. I have given particular attention to the difficulties experienced by trade mark owners and have examined with great care the memoranda and the oral evidence placed before the Committee. Most of the cases relating to this type of trade in spurious goods, which the Committee remarked has attained the proportions of a special trade, relate to pharmaceutical goods which fall under the head of “Drugs” as defined in the Drugs Act. I see the urgent need for suppressing this disreputable practice and for providing deterrent punishment for such dishonest traders. But the ground upon which I view this problem is that it is a matter relating to public health, not so much as an injury to the registered proprietor of a trade mark. It is from this point that there is similarity between the sale of articles of food with spurious marks and similar malpractices in the drug trade. These have a common feature in that public health is involved in them. I have singled these out for special treatment and for providing deterrent enhanced punishment in cases where the infringement is in respect
of a mark on goods which are “drugs” as defined in the Drugs Act, 1940 or “articles of food” as defined in the Prevention of Adulteration Act.

33. As I have mentioned earlier the main object of the Committee in recommending that offences relating to trade marks should be made cognizable is to render the detection of the offender possible in cases where he carries on the nefarious trade in undisclosed places and under names and addresses not easily discoverable. As I have already stated this problem is confined mainly to the drugs trade. As far as the offences relating to drugs are concerned the recent amendment to the Drugs Act whereby wide powers of search have been vested in Drug Inspectors has to a large extent solved the problem.

34. It is with a view to solving the same problem — viz. the detection of vendors of spurious articles, that I have, in agreement with the Committee, recommended the widening of the scope of section 12(A) of the Merchandise Marks Act so as to enable the Central Government to prescribe in the case of particular classes of goods that the name of the manufacturer or the person for whom the goods are manufactured should be indicated on the goods or on the package containing the goods. My suggestion is that the Central Government might in the first instance notify “drugs” and “food” as defined in the enactments I have mentioned above, as the goods in respect of which this indication of trade origin should be given. The situation might be watched and if there is any evidence that there is any widespread illicit trade in any other class of goods the provision in section 12(A) is flexible enough to be used to suppress such illicit practice in those particular trades. In my opinion the effect of the changes in law which I have suggested above would suffice to import a healthy tone to honest competitive trading.

35. I have suggested an amendment of the relevant sections of the Indian Penal Code dealing with “false marks”. I am not in favour of any special forum being created for these offences as distinguished from offences under the other provisions of the Code. In cases where a registered trade mark is alleged to have been falsely-applied and the defence of the accused is based upon the invalidity of the registration of that mark I would suggest a parallel provision as I have done in the case of infringement actions, namely, that the accused should be directed within a time to be named, to take proceedings for the rectification of the register and that the proceedings in the prosecution should be stayed pending the final disposal of the rectification proceedings. These latter proceedings will be in the forum which will be determined on the lines I shall be explaining hereafter. It would not matter in the least in which Court these criminal proceedings are started but they would get stayed on the commencement of rectification proceedings in respect of the registered trade mark which is alleged to be falsely applied by the accused.

36. In regard to punishments, I have, in dealing with the provisions of the Penal Code, suggested that there might be enhanced punishment for offences in relation to markings on goods which are “Drugs” or “Articles of food”.

37. The Committee have suggested that offences in relation to registered trade marks ought to be more severely punished than offences in relation to unregistered marks. Though there is doubtless some element of public interest involved in affording protection to the proprietors of trade marks I consider that, there is no distinction in this regard between the rights of a proprietor of registered and unregistered marks and that the criminal law need not make any distinction between the two. It is for this reason that I differ from the Committee and am
against any change in the existing law which imposes a uniform punishment for offences in respect of both registered and unregistered trade marks.

38. The sections of the Penal Code dealing with “counterfeit marks” as distinct from “false marks” are far from clear and I have suggested, in view of the impossibility of drawing any rational distinction between “counterfeit marks” and “false marks” the elimination of the section punishing counterfeit marks altogether from the Penal Code — a matter I have dealt with in some detail in my notes to the relevant sections of the Code.

39. The changes in the several sections of the Act recommended by me are discussed in the appropriate portions of the report. Some general comments on the principal alterations proposed by me are, however, offered here.

FORUM FOR LEGAL PROCEEDINGS

40. The present law relating to proceedings before the Courts in respect of rectification proceedings, proceedings under section 10(3) of the Act, appeals from the Registrar’s decisions and suits for infringement is to be found in sections 37, 33 and, 46, in section 10(3) & in sections 76 and 73 respectively of the Act. The ambiguity resulting from the language of these sections may be shortly summarised thus:

41. The first matter relates to applications for rectification under sections 37, 38, and 46 of the Act. The Trade Marks Act 1940, in line with the U.K. Act of 1938 vests in an applicant the option of applying either to the Registrar or the High Court for the rectification of the register. While there is no difficulty in locating the first mentioned forum, the identity of the High Court to which resort must be had in order to file the application for rectification is not indicated with any certainty. Though the definition of a High Court in section 2(d) of the Act appears comprehensive enough to include every High Court in the country, it cannot be that without any territorial connection between the locus of the Register which is sought to be rectified and a particular High Court, that High Court could obtain jurisdiction to pass an order for rectification. Different views have been held as to what nexus is necessary to attract the jurisdiction of a High Court to any particular case. But without going into the correctness of the several views entertained by different Judges, it appears to me to be expedient to specify with certainty the High Court which will have jurisdiction in any particular case.

42. The second matter relates to proceedings taken in pursuance of an order of the Registrar under section 10(3). Section 10(3) provides for orders by the Registrar referring parties to a “competent Court” to decide which among the applicants before him is entitled to have the mark registered. What that “competent Court” is, however, is not indicated by the section. The normal rule of construction would be that it is the Court which would have territorial and pecuniary jurisdiction under the provisions of enactments like the Civil Procedure Code and the Civil Courts Act. But there might be appeals from the orders of the Registrar under section 10(3) questioning the propriety of his order referring the parties to a Court, and such appeals, lie only to a High Court. It is undesirable and would lead to complications if an appeal from the Registrar’s order should lie to one Court while the proceeding which might be taken in pursuance of his directions by a party who accepts that order has to be proceeded with in another Court. To resolve this possibility of conflict it would be necessary to make a provision directing that original proceedings under section 10(3) as well as appeals from the Registrar’s order under that section should both be heard by the same Court. It appears to
me that the law requires to be amended in this regard so as to avoid the difficulties. I have mentioned above.

43. The third matter relates to appeals from the Registrar’s orders. The Act in general terms lays down that every order or direction of the Registrar passed under this Act or the rules framed thereunder is subject to an appeal to the High Court having jurisdiction. Which exactly is the High Court which could entertain and deal with appeals is, however, left in doubt. The head office of the Registry is located at Bombay with branch offices at Calcutta and Bangalore. One view might be that it is only the High Courts of Bombay, Calcutta, and Mysore that would have jurisdiction to entertain appeals from an order or direction of the Registrar. Whether this is the proper construction or whether orders passed by the Registrar while having hearings at any other place should be subject to an appeal to the High Court having jurisdiction over the place where the matter is heard, or whether such appeals could lie to any High Court irrespective of the place where the matter was heard by the Registrar, is left to be guessed. There is much to be said for the view expressed by Abdur Rahman J. in the Lahore-High Court (in A.I.R. 1947 Lah. 171), where in dealing with the jurisdiction of a High Court to entertain an appeal from the Registrar’s orders under section 76, he held that only that High Court would have appellate jurisdiction within whose territorial jurisdiction the Registrar who passed the order in question, has his office. There has been a conflict of opinion among the several High Courts as to the exact connotation of the expression “the High Court having jurisdiction” in section 76 of the Act. Without trying to resolve this conflict. I consider that it is proper and expedient that the Act should with clearness determine and provide that appeals shall be entertained by one Court only and indicate this with certainty.

44. Lastly, we have the question of the forum in respect of suits for infringement referred to in section 73 of the Act. The language of the section is somewhat vague in that it is not clear whether a suit for passing off sought in respect of a registered mark is within the section or not. The section prescribes that no Court inferior to a District Court should entertain actions for infringement. While I do not see any reason for altering the law in this regard, I consider that, having regard to the fact that in most cases an action for infringement is combined with an action for passing off, the forum for these two actions should be the same.

45. Bearing all these types of cases in mind, the scheme which I would formulate as offering a solution of the problems concerning them is broadly on the following lines.

46. Applications for registration filed on or after the commencement of the amending Act.— The following should be the procedure in respect of applications for registration including opposition proceedings thereto.

47. Besides the head office of the Registry at Bombay and branch offices at Calcutta and Bangalore four more branches should be located at Madras, Nagpur, Delhi and Cawnpur. The seven offices would cover the entire country and would serve the needs of the different areas around each office. The Central Government should divide the country into seven zones prescribing the contiguous areas to be comprised in each zone over which each of these offices should have jurisdiction. There should also be a direction that applicants residing in or having their places of business in the several zones as above divided, should file their applications for registration only in the office which is located in then zone. In the case of a foreign applicant the address for service in India may be treated as the actual address of that person for this
purpose. If there is any opposition to an application for registration the notice of such opposition should be filed in the same office in which the application has been filed, whatever be the place of residence of the opponent. When there is any necessity for hearing the Registrar or the Deputy Registrar or other officer who takes the hearings should normally take these in the office where the application is filed unless by agreement of parties or the Registrar otherwise directs. All orders passed by the Registrar in respect of opposed as well as unopposed applications for registration, irrespective of the place where the hearings take place, should only issue from the office in which the application for registration has been filed, and should also be statutorily rendered as “deemed” to have been issued from that office. The mark should be deemed to be registered in that office.

48. Appeals.—If the locus of the office where a mark is registered were thus fixed, this could form a convenient basis for determining the particular High Court to which appeals would lie from the orders of the Registrar. Appeals from all orders of the Registrar on applications for registration under section 14 and in Opposition proceedings under section 15 might be directed to be filed only in that Court having territorial jurisdiction over the office where the particular application was filed and where the impugned order of the Registrar is issued or deemed to be issued as stated above. This would with certainty identify the High Court which is the Competent Court, and this is what I have sought to achieve in the definition of a “Competent Court” in section 2.

49. The position would be the same as regards appeals from the Registrar’s order under section 37, 38(4) or 46. I shall be discussing the problems arising in connection with rectification proceedings as well as proceedings under section 10(3) in subsequent paragraphs. It will be sufficient to state here that the general line of approach is the same, namely, that the competent High Court to entertain appeals is determined by the locus of the office in which the mark should be deemed to be registered.

50. Application for rectification of the Register.—The next set of cases to be considered are applications for rectification of the register. Applications for rectification Died after the commencement of the Amending Act might relate to (a) marks which have been registered as a result of the applications made after the commencement of this Act and (b) marks already on the register on the date of the Amending Act.

51. (a) In regard to marks which have been registered on applications filed after the coming into force of the amending Act, the locality of the applicant, in the sense of his residence or place of business will determine the office in which he should file the application for registration and this should finally determine the locus of the office of the registry for the purpose of subsequent applications for rectification. In view of this, every application for rectification of such a mark would, if before the Registrar, be filed in the office where it is registered or deemed to be registered in accordance with the above provisions. If, instead of before the Registrar, the application is made before the High Court in the first instance, the competent Court will be that High Court within whose territorial jurisdiction that particular Branch of the Registry where the application for registration has been made is situated. It is unnecessary to add that on the above provisions there will be no difficulty in ascertaining the High Court having jurisdiction to deal with appeals from the Registrar’s orders in such rectification proceedings.
52. (b) I shall now proceed to deal with applications for rectification in respect of marks which are already on the register on the date of the coining into force of the Amending Act. As these marks have been registered at a time when several of the proposed offices of the Registry did not exist, the locus of the office in which the particular mark should be deemed to be registered cannot be determined precisely in the manner suggested by me for the other case. But there is no difficulty in applying a similar rule. The residence or place of business of the registered proprietor as entered in the register on the date of the coming into force of the Amending Act, might be taken as the basis for fixing the locality of the office in which the mark should be deemed to be registered, and every proceeding initiated in relation to such mark might be directed to be started only in that office of the Registry which is within the territorial zone indicated by the address of the registered proprietor. This ought to determine for ever the office, for the purpose of the locus of the mark and also finally determine the jurisdiction of the High Court, which will be the competent Court, to deal with rectification and other proceedings and appeals relating to the mark.

53. *Joint Applications.*— In cases where there is more than one proprietor of the same mark, the address of the proprietor first entered on the register might be taken as the address and residence of the proprietor for the purpose of determining the locus of the office.

54. If these proposals are followed, I feel that every ambiguity in the determination of the forum either for the purpose of filing an appeal or for entertaining an original application for rectification or for other proceedings under the Act would be solved. I have drafted an explanation to the definition of “competent Court” to meet this case.

55. *Cases under section 10(3).*— The next matter to be considered is the determination of the “Competent Court” under section 10(3). I have already indicated that the present position under which one Court could entertain an appeal against the Registrar’s order making a direction of the type envisaged by section 10(3), and a different Court determining the rights of parties as set out in section 10(3) is unsatisfactory and I have suggested that both these should be entertained by the same Court, namely, the High Court which would have jurisdiction to hear appeals from the Registrar’s orders giving directions under section 10(3).

56. The question of the determination of the particular High Court which will have jurisdiction to entertain an appeal against an order of the Registrar under section 10(3) or the determination of the rights of the several applicants under that provision, gives rise to no complications where all these applicants reside within the same zone. But where the several applicants reside in different zones, a question of difficulty arises in determining the place where the application for registration or the order of the Registrar on such applications should be deemed to have been made. If the Act should prescribe that the application for registration which has been first filed in the registry, that is to say, the application which bears the earliest number should be deemed to be the application, which initiates these proceedings, the problem would be solved and I should consider that this would be the satisfactory solution also. It is on this basis that I have drafted an explanation to the definition of the expression “Competent Court” in section 2.

57. (b) *Procedure before Competent Court.*— The Competent Court being the High Court having jurisdiction the next question is as to the personnel of that court who should deal with the several matters, *e.g.*, appeals from the Registrar’s orders, *proceedings under section 10(3)* and applications for rectification, etc. I consider that it is sufficient if appeals from the
Registrars orders, original applications for rectification and proceedings under section 10(3) are all heard in the first instance before a single judge of the prescribed High Court having jurisdiction. I have in the draft of the relevant sections indicated the powers that might be vested in such judge in disposing of the matters before him. In cases where a single judge considers the questions raised to be of sufficient importance or complexity, under the rules of the said High Court as well as under the terms of the provision which I have drafted, there would be power for him to refer it to a Bench of two or more judges.

58. The question that next arises is whether an appeal should lie from the judgments of such single judges to a bench of High Court under Clause 10 or 15 of the Letters Patent of the several High Courts. The Committee have recommended, if their proposal for a Special Tribunal should not be accepted, that an appeal under section 10(3) should lie to a single judge of the High Court, with a further appeal to a Bench of two or more judges of the same High Court, and that all other appeals from the Registrar’s decisions under Section 76 should lie to a Bench of two or more judges of the High Court of the State in which the matter has been heard. Having regard to the small number of cases which might come up before the Court by way of proceedings under this Act, I do not see any harm in providing that all appeals under the section shall also be heard by a single Judge with a further appeal to a Division Bench. The provisions I have drafted give effect to these recommendations. I have not included any provision for appeals to the Supreme Court, as from every decision of a High Court an appeal lies to the Supreme Court in appropriate cases under Art. 133 of the Constitution, and there is further Art. 136 which provides for special leave being granted in exceptional cases.

SUITES FOR INFRINGEMENT AND FOR PASSING OFF

59. The last point which remains to be considered is as regards the forum in which actions for infringement should be tried. Under section 73 a Civil Court not inferior to a District Court is the forum for entertaining a suit in relation to “an infringement of a trade mark or otherwise relating to any right in a trade mark”. The second portion of the section is very vague and has given rise to as amount of uncertainty and difference of opinion as to whether an action for passing off in respect of a registered trade mark is or is not include within the scope of section 73. A doubt has also been raised as to whether the section is confined to registered trade marks or extends also to unregistered marks. In my opinion the section needs to be drastically amended. I consider that the present provision by which a civil Court not inferior to a District Court is vested with jurisdiction to deal with infringement actions is just and proper. But the section should be so expanded as to include very action in relation to a registered trade mark, including both for infringement as well as for passing off. In most cases an action for infringement of a registered trade mark is combined as an alternative with the common law action for passing off arising from the use of the same mark, and it has been said that the common law action is a second string to the bow. In order to avoid difficulties arising out of suits for infringement and for passing off in respect of the same trade mark having to be filed in different Courts I would unhesitatingly recommend the amendment of section 73 in such a manner as to vest jurisdiction in both these types of action in the same court namely the District Court having territorial jurisdiction over the matter under the provisions of section 20 of Civil Procedure Code.
60. In the Indian Trade Marks Act, 1940 as originally enacted the rights conferred by registration were on the terms of section 21, conditioned by the registration being valid, this condition being achieved by the use of the expression “if valid” in that section. When the Act was amended to too Indian states, in order to guard against the validity of the registration being questioned in every infringement proceeding, which might be in courts in Part B States also, these limiting words were repealed by the Trade Marks Amendment Act, 1946. I consider that it is just that the words “if valid” should be reintroduced into the section. The recommendations of the Committee proceed on the footing that these words are not there, and the suggestion made is that steps should be taken to prevent any defence on the ground of invalidity of the registration being raised either in an action for infringement or in a prosecution for offences in relation to registered trade marks. Having examined the question carefully I have reached an opposite conclusion, namely that it should be open in an infringement action as well in a criminal prosecution to raise the defence that the registration is invalid.

61. I am, however, in agreement with the Committee that every Court trying an infringement action or dealing with a prosecution under the relevant sections of the I.P.C. should not be vested with jurisdiction to decide on the validity of the registration, The scheme which I am formulating, would, while vesting the power to order rectification of the register in such circumstances exclusively in the High Court, enable the defence of the validity of the registration being raised before every court trying an infringement action or a prosecution in respect of an offence in connection with a registered trade mark.

62. The question that next follows is how the exclusive jurisdiction vested in the particular High Courts to rectify the register should be correlated with proceedings in an infringement action which might be instituted before any District Court. I have considered the matter deeply and the best solution I am able to offer is, that in cases where a defendant in an infringement action raises a defence as regards the invalidity of the registration of the plaintiff’s mark, such defence will not be gone into by the District Court or other Court trying the action. The defendant will be required within a reasonable time granted to him (in the draft I have suggested three months as reasonable) to take out appropriate proceedings for rectification before the Competent Court for that purpose. If he does this, the trial of the infringement action will be stayed. The Court trying the infringement action will however retain jurisdiction to pass, notwithstanding the stay, interim orders necessary to protect the rights of parties pending the decision of the suit. When the rectification proceeding is completed and readies a stage of finality, the result of those proceedings should be declared binding on the Court trying the infringement action. If, in the rectification proceedings; the registered trade mark is ordered to be taken off the register, the issue as to validity of registration will be decided against the plaintiff in the action; and the rest of the action, if anything remains, will be proceeded with. If on the other hand, the rectification proceeding fails and the mark is retained on the register, the other defences, if any, will be investigated and the action will proceed to trial on those other matters. Of course from the decision of the District Court, even without special provision in that regard in this Act, an appeal would lie to the higher courts right up to the Supreme Court in appropriate cases.

63. Criminal Prosecutions: — In regard to criminal proceedings in connection with registered trade marks (sections 480-489 I.P.C.) I would make two suggestions. The first is that all offences in connection with registered trade marks should be tried only by a magistrate of the first class. This would be a provision parallel to section 73 of the Act, under which the lowest
court to try infringement actions in regard to registered marks is fixed as the District Court (vide also section 13 of the Copyright Act. 1914). The second suggestion is that there should be a provision for stay on the lines I have indicated in the proposed section 73A in cases where the validity of the registration of a mark is challenged by an accused. These provisions have to be inserted in the Criminal Procedure Code. I have not drafted the necessary provisions, but the form I have suggested in respect of actions for infringement where the validity of the registration is attacked, might serve as a model.

AMALGAMATION OF THE PATENT OFFICE WITH THE TRADE MARKS REGISTRY

64. The Trade Marks Enquiry Committee has recommended that steps should be taken immediately to amalgamate the Trade Marks Registry and the Patent Office under a single head (paragraphs 87 and 89 of the Committee’s report).

65. I agree with the Committee in the advisability of this course and would suggest its early adoption by Government.

66. I am greatly strengthened in this view by the opinions expressed by two very distinguished experts in this field, namely, Sir William Jarratt, late Comptroller General of the United Kingdom Patent Office, who has had nearly 38 years of experience in that office, and the late Sir Frank Lindley, another distinguished Comptroller-General, who was a member of the Departmental Committee for the revision of Trade Marks Law presided over by Viscount Goschen. Both these distinguished experts strongly favour the view that the Patents, Resigns and Trade Marks departments should be coordinated and be in charge of a single officer at the head. I also see from the files that Mr. Miller of the U.K. Patent Office in his letter to the Government of India has made a similar recommendation. A demand for such a change has also been voiced by organisations in India like the Bombay Millowners Association. Further, in the U.K., the U.S.A., Australia, Canada and very many other countries like Germany, France, Sweden, Switzerland, the administration of the law relating to Patents, as well as that relating to trade marks, is vested in a single head who coordinates the work of the two departments. The advantages of combining the two offices are (a) that it will be in strict compliance with the articles of the International Convention for the Protection of Industrial Property which I have recommended India should join; (b) it will lead to increased efficiency; and (c) it will result in economy of expenditure.

67. (a) International Convention.— Article 12(1) of the International Convention for the Protection of Industrial Property runs thus:

“Each of the countries of the Union undertakes to establish a special Government department for industrial property and a Central Office for communication to the public of patents, utility models, industrial designs or models, and trade marks.”

I am not saying that the combining of the Patent and Trade Marks offices would be legally necessary on the language of Article 12, but only that such a course would accord better with the spirit of the Convention.

68. (b) Increased efficiency.—In regard to the increased efficiency in working resulting from the amalgamation I would extract a passage in the letter of Sir Frank Lindley to which I have already made reference. He says:

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“There are considerable advantages in having both patents and trade marks dealt with by the same department. In the first place, they are both, of course, forms of incorpo-
real property, the creation of Law, and involving entries in public registers so that, as you will readily appreciate, the procedure in applications, oppositions, rectifications and so on, is broadly of the same type in the two cases although, of course, in other respects there are fundamental differences.

Then a minor advantage which we find here is that it is often convenient for the one branch of the office to consult the other; for example the Trade Marks Branch often find it of advantage to consult our Patents Branch with regard to distinctiveness of words propounded for registration as trade marks.

Lastly, it is of course, the fact that these and other forms of industrial property are all dealt with together by the International Union, and it is clearly of advantage for the matters connected with the Union and the Convention to be the concern of the same department.”

The opinion of Sir William Jarratt is to the same effect. (Extracts from these two letters are appended — see Appendix I and II).

69. (c) Resultant economy.—I gather from the files that there is now a Registrar of Trade Marks on the scale of pay of Rs. 1600—100—1800 plus allowances and a Controller of Patents and Designs on a Scale of pay of Rs. 1300—60—1600 plus allowances. The recommendation I have made above, if accepted, would result in the appointment of a single officer holding these two posts. Even if the pay and allowances of such officer are a little higher than what is allowed to either of the present two officers, it would still be less than the salary paid to the two officials holding the separate posts and would result in a saving of expenditure.

70. Further, I am recommending the opening of four more branch offices of the Trade marks Registry. The Patents Enquiry Committee has also recommended the opening of similar branches of the Patent office. The branch offices of the registry and of the Patent office might conveniently be located in the same office and under the supervision of a single officer for both patents and trade marks. This would certainly be of convenience to the public. It would also lead to economy in expenditure, and provide full work for the staff employed in each branch as they will be attending to both Patents and Trade Marks work. The combination of patents and trade marks work in these branch offices under the same officer would necessarily require a single head for central administration of both the patents and Trade Marks Laws. This is an additional reason in support of my recommendations for the amalgamation of these two departments.

SCHEME OF RE-ORGANISATION PROPOSED

71. I suggest that the Patent Office and the Trade Marks Registry should be combined to constitute a single Department of Industrial Property under an officer to be designated as “Controller General of Patents, Designs and Trade Marks”. This unified office may be called Patents and Trade Marks Marks Office. A new sub-section 4(3) may be added after Section 4(2) in the following terms:—

“Section 4 (???) — The Controller General of Patents, Designs and Trade Marks shall for the purposes of this Act be the Registrar of Trade Marks”.

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Consequential amendments may also be made in the new Patents Bill to amend the Patents and Designs Act, 1911.

72. The unified Patents and Trade Marks office will have two main divisions, one for Patents and Designs, and the other for Trade Marks. The Committee has recommended that the Patent Office should be immediately shifted from Calcutta to Bombay. (Paragraphs 87 and 90 of the Report) I am however of the view that the consideration of this question may be deferred for the Present. The Head Office or Central Office of the Patents and Designs Division may therefore continue to be at the present Patent Office at Calcutta. Similarly the Head Office or Central Office for Trade Marks may continue at the present Trade Marks Registry at Bombay. The overall administration and control of the unified Patents and Trade Marks Office will be vested in the Controller General, whose Administrative Office will, for the present, be located at Bombay. There will be branches of the combined Patents and Trade Marks Office at Delhi, Kanpur, Nagpur, Madras and Bangalore.

73. The Controller General will be assisted by two Deputy Controllers of Patents, Designs and Trade Marks. One Deputy Controller (Patents) will be in charge of the Calcutta Office. The other Deputy Controller (Trade Marks) will be in charge of the Bombay Office. Both at Calcutta and at Bombay the Deputy Controller will be assisted by an Assistant Controller (Patents) and an Assistant Controller (Trade Marks). The administrative office of the Controller General at Bombay will similarly be in charge of another Assistant Controller (Administration). There will be a sufficient number of technical staff such as Examiners and Assistant Examiners for Patents and Trade Marks and the necessary ministerial staff. Each of the offices at Delhi, Kanpur, Nagpur, Madras and Bangalore will be in charge of an Examiner who will look after both Patents and Trade marks work in that office. I have appended two tabular statements showing the gradation of officers in the existing Patent and Trade Marks organisations and in the proposed unified office after the merger of these two organisations (See Appendices III and IV.)

74. The respective territorial zone of each of the offices at Calcutta, Bombay, Delhi, Kanpur, Nagpur, Madras and Bangalore shall be prescribed by Government for the purposes of all proceedings relating to patents, designs and trade marks. As I have already pointed out in dealing with the question of forum, my suggestion is that an applicant having his residence or place of business in any particular territorial zone should file his application for registration of a patent, design or trade mark only in the office situated in that territorial area. All further proceedings in respect of the application, such as oppositions and rectifications ought to take place only in that office, and the patent, design or trade mark, as the case may be, will and when registered, be deemed to be registered in that office. All orders of the Controller General in respect of such application shall be issued, and shall always be deemed to be issued, only from the office in which the application has been filed. The appeals from the orders of the Controller General in respect of such application for patent, design or trade mark, shall lie only to the Competent Court having territorial jurisdiction over the particular office where the application has been filed. The locus of the office for the purposes of any application for patents, designs or trade marks will thus be fixed with certainty.

75. Where the applicant for registration of a patent, design or trade mark resides or carries on business wholly outside India, the address for service given by him in his application for registration should determine the territorial zone and the particular office where the application should be deemed to have been made.
76. The following procedure I would recommend for adoption for the examination of applications for patents, designs or trade marks filed at the several offices. All applications for registration of Patents and Designs, which are received at Calcutta, Bombay or other offices will be examined at the Head Office for Patents and Designs at Calcutta. Similarly, all applications for registration of trade marks filed at Bombay, Calcutta and other offices will be examined at the Head Office for Trade Marks at Bombay. Applications for patents and designs filed at offices other than at Calcutta will be transmitted to the Calcutta office for examination and further action, and all applications for registration of trade marks filed at offices other than at Bombay will be similarly forwarded to the Bombay office for examination and search. This arrangement will have the advantage of concentrating the examination of all applications for patents; and designs in a single and central place and similarly of applications for trade marks. This will promote uniformity in examination and practice, and will cause the least amount of dislocation to the existing staff at the Patent Office at Calcutta and at the Trade Marks Registry at Bombay.

77. Although the examination of applications for registration of patents and designs and for trade marks filed at the several offices will thus be centralised at Calcutta and at Bombay; respectively, all orders in respect of an application for patent or for trade mark will be communicated only from the particular office where the application has been filed. Thus, if an application for a patent is filed at the proposed Delhi Branch of the Patents and Trade Marks Office the application will be sent to the Calcutta Office for examination, but the orders of the Controller General communicating the examination report will be issued to the applicant only from the office where he filed his application, namely, the one at Delhi. Similarly, if a person made an application for registration of a trade mark at the Nagpur office the application will be forwarded to the Bombay Office far examination, but all official orders relating to that application will be issued only from Nagpur. The locus and the Competent court for the purposes of proceedings under the Trade Marks Act and under the Patents and Designs Act are thus uniformly determined. I have already suggested in detail the necessary alterations required in the Trade Marks Act and similar alterations may have to be made in the new Patents Bill and in the Patents and Designs Act.

78. I would suggest that in accordance with the practice in England, all orders and decisions in respect of Patents and Trade Marks matters from the several offices may be issued in the name of or on behalf of the Controller General, although the orders may have been passed by his deputies or other subordinate officers. In addition to being in charge of the administration of the unified Patents and Trade Marks Office the Controller General will also have under his direct control matters relating to copy rights and the International Convention for the Protection of Industrial Property and will be the Secretary of the Industrial Property Department. This is also in accordance with the practice in the United Kingdom.

79. The next question is as regards the qualifications requisite for the officer to be appointed as the Controller General of Patents, Designs and Trade Marks. I would suggest that he should be a person with legal and scientific qualifications. I consider that while in the case of Trade Marks the legal qualification might assume greater importance, so far as patents are concerned it is absolutely essential that the Controller General should be a person with high scientific qualifications with specialised knowledge of the law relating to Patents. In addition to these, I would suggest that the officer to be appointed as Controller General should have considerably experience in the working of both the Patent office as well as the Trade
Marks Registry. The qualifications I have set out above conform to the prevailing practice in England. I have already mentioned the names of two of the most eminent Comptrollers General who have held that office in the United Kingdom. Sir William Jarratt was a distinguished member of the Bar—though he did not practice—and he was in addition a physicist. He started his career in the Patent Office as an Examiner and after some years in the Patent Section became Assistant Controller in charge of the Trade Marks section; from which office he was promoted as the Comptroller General. The case of Sir Frank Lindley was similar. He was a Doctor of Laws of the London University and a physicist. He started his career as an Examiner in the Patent Office and after some years in the Patent Section became Assistant Controller in charge of Trade Marks, whence he was promoted as the Comptroller-General.

80. When on the retirement of Sir William Jarrat he was succeeded by Dr. Lindley, “Nature” wrote:

“Sir William’s successor in the Patents office will be Dr. Mark Frank Lindley. Dr. Lindley is a Doctor of Laws of the University of London and a Bachelor of Science with distinction in Physics; he is a Barrister-at-law of the Middle Temple and author of a standard work on “The Acquisition and Government of backward Territory in International Law”. Dr. Lindley, like Sir William Jarrat, combines scientific with legal attainments and has followed him through the ranks of the examining staff of the Patent Office, and the Assistant Comptrollership, to the Comptrollership. It is very satisfactory to scientific men and to all those connected with patents in Great Britain, to find that the practice has again been followed of appointing a man with scientific as well as legal training to the Comptrollership of the Patent office.”

When the experiment of having a single Lead to deal with Patents as well as Trade Marks is being initiated it would undoubtedly be a great advantage in having as the first Controller General an officer who has had experience in both these branches of administration. Further, in the next few years, after India joins the International Convention, India would have to be represented in International gatherings dealing with questions of Industrial Property and her Comptroller General must be one who is at home in both the departments of Patents and Trade Marks. Moreover, the Trade Marks Act as amended and the Patents Act as re-enacted are likely to raise problems for solution that would demand the services of a head having practical experience or both these departments.

81. As regards the qualifications of the Deputy Controller of Patents Designs and Trade Marks, I would suggest that as in the case of the Controller General, the Deputy Controller should also be a person having both legal and scientific qualifications. But the emphasis should be on the legal side in the case of Deputy Controller (Trace Marks) and on the scientific or technical side in the case of Deputy Controller (Patents). For the posts of Assistant Controllers, emphasis should be on administrative experience.

82. Part B Register.—I endorse the opinion of the Committee that we could usefully have a B register which would contain marks “capable of distinguishing” as distinct from marks “adapted to distinguish” the trade origin of the goods. My reason for recommending this is in the main that it is urgently called for in view of the expanding export trade of the country.

83. The degree of distinctiveness required by section 6 to qualify for registration as it exists at present might not be fulfilled by many marks, which are nevertheless good in every proper sense, The non-registration of these marks does not very much matter in internal trade, as the
owners could protect themselves by actions for passing off. But in several foreign countries common law trade marks are not legally recognised and registration is essential to protect the rights of these trade mark owners. These countries insist on a certificate of registration in the home country as a condition for registration in their registers. There is thus need to have a register of marks which might fall short of the standard of distinctiveness required by section 6, so that these trade mark owners may also be able to obtain registration of their marks and have their rights protected against infringement in foreign countries. It was just the this purpose that the Part B register was introduced in England by the Amending Act of 1919. I consider that the reasons which prompted the enactment of the Amending Act of 1919 obtain here also.

84. The next question is as regards the criterion for the entry of a mark in this part. The difficulty in this regard lies in the framing of a definition of ‘distinctiveness’ for enabling a mark to be entered in the Register which while less rigid than what is required by section 6, would not be too wide as to approach the deposit system which prevails in some countries. I am of the opinion that a deposit system is unsuited to our country and would severely handicap other traders by conferring a monopoly upon the first comer, and would hamper the legitimate rights of other traders. It is this consideration that has led me to the conclusion that the condition laid down by the United Kingdom Trade Marks Amending Act of 1919 for registration in the B register was the only reasonable and proper one to adopt. I may note in passing that the condition for the entry in the B register in Australia under its recent legislation is on exactly similar lines.

85. The opening of a B register has involved changes being made in the text of several of the provisions and I have suggested drafts for these in their proper places following in this regard the form adopted in the British Act.

INTERNATIONAL CONVENTION

86. There has been widespread, I might say, even unanimous demand by the commercial community in support of India joining the International Convention for the Protection of Industrial Property. In view of the expanding export trade of this country and in order to provide sufficient protection for the trade marks of the Indian nationals in competition with foreigners, it appears to be essential that India should join the Convention. The Committee have recommended this step and I endorse their suggestion. I might also add that the Patents Enquiry Committee have also recommended a similar step.

87. The next question is as regards the legislative changes necessary to be effected in the event of India joining the Convention. The only provisions included in the British Act are those contained in the proviso to section 19(1) of the Trade Marks Act of 1938 and sections 91 and 91A of the U.K. Patents and Designs Act, 1907. In the re-draft of the sections which I have made, I have included the provision in section 19(1) of the U.K. Act in section 16(1) of our Trade Marks Act. In the note to section 83 I have suggested that provisions on the lines of sections 91 and 91A of the Patents and Designs Act (of U.K.) might be embodied as sections 83A and 333 here. There might also be definitions of “convention countries” and “convention application” and these might be embodied among the definitions in section 2.

88. Service marks, — I agree with the recommendation of the Committee in paragraphs 71 and 73 of the Report against the introduction of “service” marks. I might also mention
that the Dean Committee in Australia rejected the proposal regarding the registration of the service marks (vide paragraphs 38 to 40 of their report), I entirely endorse the reasons given by them for their rejection of the proposal to have service marks.

89. **Certification Trade Marks.**— I agree with the Committee that the provisions of the British Act might be copied in regard to the treatment of “certification marks” as trade marks. I am recommending this mainly on two grounds:—(1) Such a change would bring about a degree of uniformity with the law in the United Kingdom. (2) There will be a complete search for conflicting marks among ordinary, as well as certification marks, when any application is made for the registration of an ordinary or a certificate trade mark.

90. As regards the relief open to an injured proprietor of a certification mark. I consider the Australian analogy useful and have provided in the relevant section that the relief obtainable for an infringement of a certification trade mark is an injunction. As the certifier is not a trader in those goods and in fact he cannot be a trader (vide section 51) there is no question of his being entitled to damages for the loss caused in the way of trade or to an account of the profits made by the infringer. One is therefore left with the remedy by way of injunction and I consider the section of the Australian Act might be usefully incorporated in the Indian enactment.

91. I have examined the desirability of having statutorily a separate register for certification marks I do not, however, consider that this makes much difference as I understand the present practice in the Registry to be that certification trade marks are entered in a separate register. That practice might continue, though that register is also a part of the Trade Marks Register.

92. There is one other problem in relation to certification trademarks which is peculiar to India and that is the situation consequent upon the existence of statutory marks akin to certification marks under enactments like, The Agricultural Products Marketing Act 1938 and Indian Standards Institution (Certification Marks) Act of 1952. As I have already pointed out, in the case of certification trade marks any conflict with ordinary trade marks is avoided by certification marks being registered after following the same procedure for search. In the case of the statutory marks under the above enactments, as no such procedure for search is prescribed, there is a possibility of the statutory marks being identical with or similar to marks already on the register in the name of a different person and it would be a hardship for traders who have registered these marks having to discontinue those marks by reason of the statutory authorities prescribing such marks. I understand that cases of such conflicts have already arisen. In my notes to section 2(1)(1), I have made three alternative suggestions for solving this difficulty: (1) by appointing the Registrar of Trade Marks as the statutory authority under these enactments with an obligation laid down on him to search the register for conflicting marks and then to proceed to prescribe the statutory marks, (2) by directing the statutory authority under the enactments to apply to the Registrar of Trade Marks for a search being made before finally prescribing a mark or (3) by directing the prescribed authority to apply to the Registrar for registration just like other applicants. In each one of these cases, there should be a provision providing for appeals against the orders of the statutory authority or of the Registrar prescribing the mark, the ground of appeal being that the mark so prescribed conflicts with a mark already on the register in the name of a different proprietor for the same or similar goods. The provision in this regard may be made under the rules framed under the various enactments. Of course the Tribunal to hear the appeal would be the High Court and
the rules might prescribe the particular High Court which would have jurisdiction to hear the appeals.

93. **Effect of Registration.**— The Committee have suggested that section 21 should be amended so as to clearly enact the law as laid down in the *Bismag case* (57 R.P.C. 209). I am against this proposal and in dealing with section 21 I have recorded my reasons why I prefer that the law should be as laid down in the *Yeast-Vite case*. In this view, sub-section (b) of section 21 is rendered unnecessary and I have suggested the deletion of that portion of the section as also in section 57 where this is repeated.

94. **Remedies for infringement.**— I consider it useful to put down in the Act itself a specific provision as regards the remedies available to an injured proprietor. Temporary injunctions pending an action for infringement are governed by the Code of Civil Procedure and there is no necessity to make any provision in that regard in the Trade Marks Act. But the final reliefs which might be awarded in an action for infringement are now matters merely of judge made law and I consider that the prescription of these by statute would serve to eliminate all ambiguity or doubts regarding the reliefs open. It is with that view that I have recommended a provision in these terms. In this I am supported by the precedent in Australia, where on the recommendations of the Dean Committee a new section, section 65, has been introduced setting out the remedies open to an injured proprietor of a registered trade mark. I have suggested; the following provision:

“The relief which a Court may grant in an action for infringement of a trade mark registered in Part A or Part B of the Register includes an injunction (subject to such terms, if any as the Court thinks fit) and except in the case of a registered certification trade mark at the option of the plaintiff either damages or an account of profits together with or without delivery up of the infringing rebels or marks for erasure or destruction.”

95. **Assignment and registered user.**— Following the conclusions on the matter by the Dean Committee in Australia, I have suggested that a mark should have been in use before it can be assigned. Though that Committee did not suggest any particular period of use. I consider that there should be a minimum period of use prescribed by the statute and have recommenced that this should be two years.

96. At Common Law and before the enactment of the statutory provisions in section 28 of the U.K. Act a licensing by the proprietor of a trade mark had the effect of destroying Common Law rights. The Goschen Committee while acutely sensible of the abuses which a system of unrestricted licensing might entail, recommended licensing subject to the restrictions which are now to be found in section 28 of the U.K. Act. One type of possible abuse which has been adverted to in Kerly might be referred to here. It is stated at p. 372. “It would be very undesirable to allow a director or large shareholder in a company to be registered as proprietor and his company as a registered user, so that in case of liquidation, the trade mark might not be an asset available for creditors of the company.” It cannot be said that the danger of such abuse does not exist in this country where several companies are under the absolute control of individuals or small groups and it is with a view to avoid this that. I have, following up the analogy of the provision relating to the assignability of a mark, suggested that a mark should have been used to qualify for being licensed to a registered user.
TERRITORIAL ZONES AND BRANCH OFFICES OF THE REGISTRY

97. India is too vast a country and the distances are so great that a real hardship is imposed upon persons living in distant places by their having to file applications for registration, only in Bombay or Calcutta or Bangalore as it obtains at present. Even in a country like Australia, there is a branch registry in each State Sections 12(2) and 12(3) of the Australian Trade Marks Act provide,

"12(2): There shall be a sub-office of the Trade Marks Office in each State.

12(3): A document required or permitted by this Act to be lodged at the Trade Marks Office may be lodged at a sub-office of the Trade Marks Office and a reference in this Act to lodgment at the Trade Marks office includes reference to lodgment at a sub-office of the Trade Marks Office."

In keeping with this, I have suggested the division of India into seven zones with offices at Madras, Nagpur, Delhi and Kanpur in addition to the existing offices at Bombay, Calcutta and Bangalore so as to facilitate the registration of marks by persons residing in or carrying on business in such zones. In my opinion this will result in a fairly equitable distribution of facilities for registration over the face of the country. This will also encourage the registration of a great number of common law trade marks and thus fulfil the object of trade mark legislation, namely, to make the register as Complete as possible and get every effective trade mark entered on the register. I consider that one of the main factors which now stands in the way of traders applying for registration of their trade marks is the distance between the places where they carry on their business and the places where the offices of the Registry are situated.

I have already indicated the procedure to be adopted with regard to the examination of applications filed at the several offices and the determination of the locus for the purposes of proceedings under the Act.

98. Other changes recommended.— I shall now deal briefly with some of the other principal alterations which I have recommended:

(a) Prohibition of registration of certain matters.— The present draft of section 8 has given rise to considerable ambiguity and the Committee recommended, that this section should be redrafted so as to eliminate this. The Dean Committee in Australia also considered this matter and recommended a re-draft almost on the same form as that suggested by the Committee. I have redrafted the section on similar lines.

(b) Delay in obtaining registration.— I have already adverted to the fact that the aim of the trade mark law should be to get on the register all effective registrable marks. The report of the Committee, as well as the evidence placed before it, point to the present procedure relating to registration as causing serious delay in the matter of obtaining registration. Having gone through the matter myself I am of the view that though some time previously there was justification for such a complaint, it has been eliminated at present so far as regards unopposed applications. Opposition proceedings still however continue to protract the time taken for registration. Consequently I agree with the Committee that the period within which an opposition should be filed should be reduced and that three months ought to suffice for the purpose.

This alone however would not in my opinion adequately reduce the delay which is caused by frequent and repeated applications for extensions of time. I have had figures prepared of
applications for extensions of time in the different stages of opposition proceedings and find that during the year 1953–54 there were as many as 3500 such applications. This is a very unhealthy state of affairs and one should not be surprised if the granting of these extensions should have greatly delayed the registration of a mark; The remedy for this is, to restrict the discretion of the Registrar in the matter of granting these extensions. In the relevant rule as amended by me I have provided: that the Registrar should have power to grant an extension for filing notice of opposition for a period not exceeding one month beyond the basic period of three months and that it should not be open to the Registrar to grant any further extensions. I consider that the period of four months on the whole is more than sufficient interval of time for notice of opposition being filed. In cases where owing to the strict operation of the rule, a would be opponent is deprived of an opportunity of opposing the registration, there is nothing to prevent him from moving for the rectification of the register, though there might be in this a certain amount of handicap by reason of the onus being shifted on to him.

(c) **Duration of registration.**— I have suggested the cutting down of the period for which a renewal should enure, from 14 years as at present to 7 years. In my note to section 18, I have discussed the reasons why I favour this step and the reasons which induced me to this conclusion.

(d) **Conclusive presumption of validity of Registration (section 24).**— The changes that I have made in this section would be seen from the re-draft, and in the note thereto I have explained the reasons for the alterations suggested. These relate principally to two matters. One is that applications for rectification of the register should be specifically included in the category of legal proceedings referred to in the section, while the other is as regards the expression “offends” occurring in the last line. I have discussed the case law relating to the latter point in my note to that section and shown how it is essential that the past tense in addition to the present tense should be used to make it clear that both marks which at the date of the registration contravened and which at present contravene the law should be capable of being removed from the register under section 40.

(e) **Preliminary advice by the Registrar.**— In agreement with the Committee I have recommended a provision on the lines similar to that which prevails in the United Kingdom, of the Registrar tendering preliminary advice to intending applicants for registration. I consider this very useful to intending applicants. I have suggested that a small fee might be levied for this advice and for this purpose there will have to be an entry in the schedule of fees. Necessary amendments in the rules should be made for this procedure, as well as a provision for the refund of fees paid for registration in cases where an application made on the basis of the advice is ultimately refused, because of the advice turning out to be incorrect.

(f) **Inspection and copies.**— I find that the Registrar is at present summoned to give evidence about matters which appear in the records of his office. I am suggesting a provision such as is contained in the Banker’s Book Evidence Act, 1891 relieving the officials of the Registry from having to attend Courts to give evidence about matters appearing in the Register or in the records of the office as also a comprehensive direction in the statute as regards the grant of copies.

The statute as it stands at present specifically confers a right of inspection only of the Trade Marks Register and the Refused Textile Marks List. I consider that this needs extension and I have framed a provision on the lines of section 28 of the Canadian Act which I consider would meet the ends of the situation.
(g) **Weeding out and destruction of unnecessary Records.**— The practice hitherto has been to treat all the files and papers received in the Registry relating to any application for registration, rectification etc. as part of the permanent records of the office and preserve them for ever. This must necessarily result in great practical inconvenience and as time progresses and more files are started, the problem of space, apart from the difficulty of indexing and preserving them in places where they would be accessible, would become acute. I consider that there is no need to permanently preserve every paper in the office and that the rules as to destruction of records in Public offices might be applied to the files in the Registry and those which have ceased to have any value in regard to a live mark might be weeded out and destroyed. I have suggested amendments to the rules which would carry this out.

(h) **Compulsory Registration or all Marks.**— The Committee have considered and rejected a suggestion which appears to have been made before them that every mark which is used as a trade mark should be licensed by the Registrar and that no mark should be used nor so licensed. The Committee have rejected this proposal and in my opinion rightly. I do not believe that the system of licensing suggested would confer any benefit on the registered proprietors. The procedure suggested is wholly novel and so far as I am aware there is no country in the world where the use of a trade mark which is not licensed is made an offence or punished as a crime.

(i) **Payment of Fees.**— I would suggest the desirability of all fees-payable to the Trade Mark Registry being remitted to the Reserve Bank or Taluk Treasury and receipted chalans alone being filed in token of such payment. This would obviate need for the employment of cashiers and assistant cashiers in the several offices and also the possibility of defalcation.

99. **Staff requirements of the Registry.**— One of the points raised by the Trade Marks Enquiry Committee is about the organisation of the Trade Marks Registry. Reference has been made in this connection in the report to the recommendations of the Reorganisation Unit which appears to have recommended a drastic reduction of staff in almost all the cadres. I have examined very carefully the report of the re-organisation unit and had also the benefit of personal discussion with Dr. S. Venkateswaran the Registrar of Trade Marks about the strength of the staff that will be required for coping with the day to day work of the Registry.

100. I have also examined the files which Dr S Venkateswaran has produced at my request which show the manner in which the correspondence of his office with applicants, opponents etc. is conducted and I have realised the complexity of the work involved even to the clerical staff. Having considered all these matters. I have reached the conclusion that there is not much scope for the reduction in the present strength of the Trade Marks Registry. I feel greatly strengthened in this by the remarks of Mr. Whyman contained at page 96 of the Report wherein he has also reached the same conclusion Mr. Whyman has had considerable experience of the working of the Trade Marks Office in the United Kingdom and in the matter of practice and of the staff necessary I would consider him an expert in the field.

101. However, with the merger of the Calcutta branch of the Trade Marks Registry with the Patent Office, the whole question of the staff necessary might be reconsidered and the requisite staff determined. If any or the present staff are found to be superfluous at that stage they can of course be absorbed to man the new branches of the Trade Marks and the Patent Offices whose opening I contemplate. I have annexed a note dealing with this matter in some detail as Appendix III.
102. **Indian Penal Code.**— There are two major changes which I have suggested in regard to the provisions of the Indian Penal Code. Besides redrafting the definition of a “trade mark” and the insertion of an additional definition of “packing” and “colourable imitation” in section 478 of the I.P.C., I have suggested a new section 480 to replace the present one. I have tried to make this new section as comprehensive as possible to include every form of false marking or false use of a trade mark. I consider this draft to be an improvement on the present one as affording a more complete protection.

103. The other major change which I have suggested is in the deletion of the provision relating to counterfeiting or the use of counterfeit marks. In my note to section 483, I have discussed the reasons why I favour this proposal. I consider that the suggestion if accepted would render the administration of this branch of the law by the criminal courts easier.

104. I am against the recommendation of the Committee that there should be a distinction drawn in the punishment to be inflicted upon an offender between cases where the offence is in relation to a registered mark and that where it relates to an unregistered mark. In my opinion, the public interest involved in suppressing the crime which should be the criterion for the determination of the quantum of the punishment is identical in the two cases and it would be illogical and unjust to treat them differently.

105. I have, however, suggested that where the articles which are the subject matter of the offence are either ‘Food’ or ‘Drugs’ there might be a higher punishment whether the mark borne on the goods is a registered or an unregistered mark. This recommendation I have made on the ground of the danger to public health involved in such cases.

**MERCHANDISE MARKS ACT**

106. I have examined the definition of the expression “trade mark” in the Merchandise Marks Act together with the definition or the same expression in section 478 of the Indian Penal Code and I have recommended the adoption of an identical definition in both the enactments in a form which is slightly different from the present, but, which, in my opinion better expresses the essentials of both a registered as well as an unregistered trade mark.

107. I have accepted in part the recommendation of the Committee as regards the expansion of the definition of “trade description.” For the reasons stated by me in full in my note to section 2 of the Act I find myself unable to recommend the acceptance of the other part of the definition embodied in the Committee’s recommendation regarding section 2(2)(ab).

108. I have also accepted the Committee’s recommendations for the amendment of section 12A so as to enable Government to require, in the case of particular classes of goods on the goods themselves or on the packages containing the goods the name of the person who manufactures them or for whom the goods are manufactured should be stated. I have suggested in the relevant sections of the Merchandise Marks Act that the Central Government might in the first instance use this power to require goods falling under the heads of ‘Drugs’ as defined by the Drugs Act 1940 and ‘Food’ as defined by the Prevention of Food Adulteration Act of 1954. From the experience gathered as a result of this provision for some time, the Government might consider the advisability of extending the notification to other goods.

109. There is one further matter in relation to this enactment which has not been dealt with by the Committee, and that is as regards the limitation of time for prosecutions provided
for under section 15. Though the Indian section has verbatim copied section 15 of the U.K. Merchandise Marks Act of 1887 and though in the latter country, the ambiguity in the construction of the section has not given rise to any decided cases, there has been on acute difference of opinion in India among the several High Court as regards the proper construction of some of the words in this section. In order to resolve this conflict, I have suggested an amendment of the section in a form which is in conformity with the views of the majority of the Courts and which I consider to be the correct interpretation of the section as it stands.

**DRUGS ACT**

110. The main recommendations of the Committee in the matter of the changes required in the Drugs Act relate to (1) an enhancement in the punishment for offences under the Act (2) rendering all offences under the Act cognizable and (3) the administration of the Act being by the Central Government. All these recommendations had been originally made by the Pharmaceutical Enquiry Committee and have been implemented by the recent Drugs Amendment Act of 1955, a matter to which I have referred in my note to the provisions of this enactment.

111. I shall now set out in detail my recommendations regarding the amendments of the several sections of the Act in serial order referring to those matters which call for special comments.

112. I originally considered that as the terms of the reference to me were nearly identical with those of the Committee, it would be sufficient for me to examine the Committee’s report and decide whether their suggestions should be endorsed or not and that this could be done within a period of about six weeks. This was also one of the reasons why I thought I might do this along with my normal work in the High Court. I found however that the Committee had not examined the ambiguity in the language or the difficulties which several of the provisions gave rise to in their practical application. I have with the assistance of Dr. S. Venkateswaran examined the several sections of the Act and have suggested suitable amendments to obviate either ambiguity in the language or difficulty in application. This has accounted for the time taken in the preparation of this report.

113. In making any changes in substance I have endeavoured to keep in view the protection of the registered proprietor, the legitimate activities of other traders and the interest of the public and tried to balance them where these might not in any particular case point in the same direction.

114. Dr. S. Venkateswaran, Registrar of Trade Marks, has on the direction of the Ministry assisted me in the examination of the matters on which my advice was sought. He sat with me from day to day on most of the days I was engaged in this work and he brought to my notice the difficulties in the construction of the several sections as well as the practical difficulties in the administration of Trade Marks law caused by these provisions. His profound knowledge of the legislative history of each of the provisions in the Act as well as the case law bearing on it has been of the utmost help to me and has greatly lightened my labours and also led to a saving of my time. Further his practical experience of the working not merely of the Trade Marks Registry but also of the Patent Office has been of immense assistance to me in suggesting solutions for the eradication of the difficulties experienced. I gratefully acknowledge the assistance I have derived from him.
115. My thanks are also due to my staff who cooperated with me to see to the expeditious completion of this work.

116. Along with my recommendations regarding the changes to be effected in the law, I have in respect of most of the matters drafted the provisions which would give effect to my suggestions. But I have not been able to find the time to do this in respect of some matters which I have dealt with in my report, as regards which, I have indicated the general lines of the provisions to be enacted. The necessary draft would have to be made by the Drafting department of the Government of India.
Detailed Notes on Changes Recommended to Various Sections

Trade Marks Act, 1940

SECTION 2 — DEFINITIONS

117. 2(1).— While the expression ‘transmission’ is defined in section 2(1)(m) reproducing the language of section 86(1) of the British Act and the expression ‘assignment’ is used in that definition, there is no definition of the word ‘assignment’ in this Act. It is therefore necessary for the purpose of clarity to have such a definition and. I would suggest the adoption of the language of the British enactment, namely,

“(a) ‘Assignment’ means assignment by act of the parties concerned.”

This sub-section may be numbered as 2(1)(a), the definition of ‘associated trade marks’ being renumbered as 2(1)(aa).

118. I have explained in some detail in the introductory paragraphs my recommendations as regards the forum for the hearing of appeals from the orders of the Registrar, as well as for the entertainment of original applications for rectification. I suggest the designation of this forum as “the Competent court” a designation which would involve the least amount of consequential changes in the several sections. In view of this, this expression has to be defined and this definition incorporated along with others in section 2(1).

I would, suggest the following to be incorporated as section 2(1)(bb):

“2(1) (bb) Competent Court — A Competent court means that High Court which has territorial jurisdiction over the Trade Marks Registry or the branch of the said Registry where the application for registration of the Trade Mark in question was filed.

“Explanation: — (1) In the case of all trade marks on the register on the date of the coming into force of the Amending Act—the application for registration of the Trade Mark shall be deemed to have been filed in the Registry or the branch of the Registry within whose jurisdiction the place of business of the applicant as set out in his application for registration is situate.

“Provided that where such trade mark has before the prescribed date been assigned, such mark shall be deemed to be registered in that Registry or branch of the Registry within whose jurisdiction the place of business of the assignee on that date is situate.
“Provided further that where two or more persons are registered as joint proprietors of a trade mark and such persons reside or carry on business in the jurisdiction of more than one office or branch of the Registry, the place of business of the applicant whose name first appears as the registered proprietor in the register shall determine the Registry or Branch of the Registry where the application was filed.

‘Explanation (2):— Where two or more separate applications have been made by different persons to be registered as proprietors respectively of trade marks which are identical or similar to each other in respect of the same goods or description of goods and there is cross-opposition between such proprietors, the Competent Court shall be the High Court which has territorial jurisdiction over the Registry or Branch of the Registry where the earliest numbered application was filed.”

119. The main part of the definition is self-evident and does not require any elucidation. Explanation (1) has been necessitated by reason of having to make provision for the competent forum in respect of Trade Marks already on the register. It will be seen that without the Explanation, such marks would be outside the definition or there would at least be a great difficulty in determining the forum in such cases.

The first proviso to Explanation (1) is designed to provide for cases where there has been an assignment before the amending Act. The second proviso has been rendered necessary to cover cases of applications for registration by joint proprietors residing in different zones under section 17(2).

Explanation (2) is directed to solve the question of the forum in cases covered by section 10(3) which is not free from ambiguity as it stands.

There is a minor amendment which is needed to sub-clause (d)(v) of the definitions in section 2(1). The definition of “High Court” in relation to Coorg should be the High Court at Mysore by reason of the Mysore High Court (Extension of Jurisdiction to Coorg) Act 1952.

120. 2(1)(1): Certification Marks.— I agree with the Committee—that it is advisable to render a “Certification Trade Mark” a trade mark proper. This would be in accordance with the U.K. Act, section 68(1). No doubt there are points of distinction between a certification Trade Mark and an ordinary Trade Mark in that the emphasis in the first case is on the quality of the product and in the second on its trade origin. But as they are of a similar species the definition in section 2(1)(1) might be altered on the lines suggested by the Committee.

121. In regard to the consequential alterations however which this change in the definition involves, I am by no means satisfied with the sufficiency of the Committee’s suggestion. The changes which I would suggest in section 50 are to be found in the notes to that section, the main purport of this being that I would prefer the model of the U.K. prevision in respect of the text of section 50 as it stands. I am also suggesting an amendment to section 57 so as to bring that provision into line with the other suggestions which I have made regarding the scope of the rights conferred on the registered proprietor of a Trade Mark by the Act. This is in addition to the Committee’s suggestion in paragraph 31 which I endorse.

122. I am in favour of the statute itself prescribing the remedies open to a proprietor of a registered trade mark in this respect-following the precedent of the recent Australian Act. In that country on the recommendation of the Dean Committee, the relief obtainable for
infringement of a certification mark is confined to the obtaining of an injunction against the infringer. I consider this provision proper and would recommend it for acceptance.

123. There is one other matter which, I consider, can be conveniently dealt with at this stage and that is in relation to what are really “certification marks” though under special statutes like the Agriculture Produce Grading and Marketing Act of 1937 and the Indian Standards Institution (Certification Marks) Act, 1952. So far as I am able to gather the position in the U.K. as well as in other Commonwealth countries appears to be to have these marks registered under the ordinary law and not prescribed under special legislation. This results in a certain measure of convenience and uniformity in that no conflict would arise between these certification marks and the ordinary trade marks, which are both dealt with by the same Registry. In the enactments mentioned earlier the position does not appear to be clear. For instance, under section 3(b) of the Standards Institution (Certification Marks) Act, 1952 the designated authority might prescribe any mark and on such prescription it becomes under section 5 an offence for any person to use that mark on his goods. But no provision is made for coordinating the selection of this mark by the prescribed authority after a search in the trade marks register, so that there is a possibility of the authority prescribing a mark already on the register in the name of a different person and in use. This is not a desirable state of affairs and I consider that this should be avoided. There are three ways of obviating this inconvenience and conflict. The first is to direct the prescribed authority to fix a mark only after the Registrar of Trade Marks certifies that such a mark is distinctive and does not conflict with any mark already on the register; the next is to appoint the Registrar of Trade Marks himself as the designated authority for the prescription of the mark and to direct him by rule to prescribe a mark which is distinctive and does not conflict with a mark already on the register; and the third method is by a direction to the authority administering these enactments to apply to the Registrar for registration of the mark as a certification mark, the Act making it clear that except for search of the register for conflicting marks and the mark being adapted to distinguish there is no other formality to be complied with in the case of applications by the authorities under these enactments. I would, however, prefer the first alternative to the others as this could be done without much dislocation to the existing procedure.

124. 2(n).—As “Competent court” has already been defined, it is necessary to insert the expression in the definition of the “tribunal” so as to make it accord with the other provisions. In view of this, I would define “tribunal” as:—(n) “tribunal” means the Registrar or, the Competent court on appeal as the case may be before which the proceeding concerned is pending.”

SECTION 3

125. The Committee have recommended the deletion of section 3 or in the alternative the amendment of the section by substituting for the words “any other law” the words “any other Act”. They have not however pointed out what the other law they have in mind is which conflicts with the law as enacted in the Trade Marks Act, 1940.

126. It will however be seen that while section 20 of the Act negatives any action for infringement of an unregistered trade mark except under certain conditions, section 54 of the Specific Relief Act read with the Explanation and Illustration (w) thereto would appear to confer such rights. It would seem that at the time the Specific Relief Act was enacted in 1877
an unregistered trade mark was treated in England as some ting in the nature of property. A different view, however, has long since been adopted there and this is given effect to by section 20(1) of the Indian Trade Marks Act. 1940. The provision in the Specific Relief Act has, however, continued without change.

127. The question, therefore, is whether it is section 3 of the Trade Marks Act that should be amended or whether the amendment should be of the provision in the Specific Relief Act. The alternative suggested by the Committee of amending the words of section 3 would in my opinion make the matter worse and not better. The proper course is either to delete the Explanation to section 54 of the Specific Relief Act and the Illustration (w) to that section or in the alternative to insert the word “Registered” before the words “Trade Mark” in the explanation and omit Illustration (w). If either of these were done, I am not aware of any law which would conflict with section 3 and the provision as it stands having been inserted ex abundati coutela may be allowed to remain as it is.

SECTION 4

128. To give effect to my recommendation regarding the opening of a part B Register, after section 4(1) the following may be inserted as 4(1)(a).

“4(1) (A):— The register of trade marks kept under this Act shall be divided into two parts to be called respectively Part A and Part B”.

129. I have already indicated that there is necessity as well as convenience in combining the two offices of the Controller of Patents and Designs and the Registrar of Trade Marks, I would suggest the designation of the officer in charge of this combined office as Controller-General of Patents, Designs and Trade Marks, which nomenclature would indicate the combination. In view of this, I would suggest the following alter section 4(2). This might be numbered as section 4(3) and run as follows:—

“Section 4(3):— The Controller-General of Patents, Designs and Trade Marks, shall for the purposes of this Act be the Registrar of Trade Marks”.

130. A corresponding provision might be inserted in the Patents and Designs Bill which is now under consideration.

131. I would combine sub-sections 4(2)(A) and 4(2)(B) into one sub-section reading as:—

“Section 4(4):—The Central Government shall appoint one or more Deputy Registrars and Assistant Registrars of Trade Marks or other officers to discharge, under the superintendence and directions of the Registrar, such functions of the Registrar under this Act as he may from time to time authorise them to discharge; and any reference in this Act to the Registrar shall include a reference to any Deputy or Assistant Registrar or other officer when so discharging any such functions”.

132. The present section 4(3) may be omitted in view of the changes which I have suggested as regards the right of inspection and the grant of copies by an amendment to section 75 and to rule 86 of the Trade Marks Rules.

133. The present sub-section 4 will have to be renumbered as sub-section 5.
Section 4A.—I have already discussed in the introductory portion the necessity for opening four more branches of the Registry and the division of the country into zones for the purpose of investing these branches with jurisdiction over particular areas. The suggestion I have made might involve some little increase in expenditure but with the measures I am suggesting for increasing the revenue for the department and for the amalgamation of the Patent office and Trade Marks Registry under a single head the increased expenditure would be more than made up. In view of the above recommendation, section 4A(1) might read:

“Section 4A(1).—There shall be established at Calcutta and at such other places as the Central Government may determine, for the purpose of facilitating the registration of trade marks, branches of the Trade Marks Registry.

(2) There shall be kept at the said branches copies of such records as the Central Government may direct and the said copies shall at all convenient times be open to the inspection of the public same manner as the originals thereof.”

134. The changes I have suggested in section 4A(2) are designed to avoid the great inconvenience and enormous expenditure that would be caused if a copy of the Register and of the Refused Textile Marks List have to be kept at each of these six branches. Though there might be practical difficulties in having to keep copies of the present Register at each branch, the copy of the Register in respect of the marks to be registered in future after the commencement of this Act may be directed to be kept in each of these branches, the applicants for registration being required to submit sufficient number of copies of the representation of their marks to enable this to be done.

SECTION 5

135. This corresponds to section 3 of the U.K. Act where the words used are, “A trade mark must be registered only in respect of particular goods or classes of goods”. I am unable to see why the Indian Trade Marks Act. 1940 changed the italicized expression into “may”, and I do not consider that it was ever intended to convey a different meaning.

136. I might also point out that section 31 of the Australian Act corresponding to this provision runs;

“31(1): A trade mark shall be registered in respect of any or all of the goods comprised in a prescribed class of goods.”

Though Rule 13(1) of the Trade Mark Rules directs that every application for registration of a trade mark shall be in respect of goods in one class only, the same is nor enacted in the Act. This defect would be remedied in the Australian form were adopted and I would recommend accordingly.

SECTION 6

137. In view of my recommendation (a) to treat Certification Trade Marks as a species of Trade Mark and (b) for opening a B part of the Register, Section 6 will have to be suitably amended and a new section added.
138. Section 6(1)(d) mentions “surnames” repeating in this respect the language of Section 9(1)(d) of the British Act. Though most of the inhabitants of the U.K. have surnames, there are numerous communities in India particularly in the South who have only personal names and no surnames. In order to avoid any interference or argument that a personal name is not within section 6(1)(d), the expression “or personal name” may be added after “surname” in the sub-clause, I understand the present practice of the Registry to be to treat personal names on the same footing as surnames requiring evidence of distinctiveness before accepting them for registration.

139. In view of these considerations, Section 8(1) should run thus:

“6(1) Distinctiveness requisite for registration in Part A Register.— A trade mark (other than a certification trade mark) shall not be registered in Part A of the Register unless it contains or consists of at least one of the following essential particulars, namely:—

(a) the name of company, individual or firm, represented in a special or particular manner;

(b) the signature of the applicant for registration or some predecessor in his business;

(c) one or more invented words;

(d) 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 surname or personal name or the name of a sect, caste or tribe in India;

(e) any other distinctive mark, provided that a name, signature or any word, other than such as fall within the descriptions in the above clauses, shall not be registrable except upon evidence of its distinctiveness.”

140. The Committee have suggested that the proviso to sub-section (3) should be deleted. I am not in favour of this proposal. I am not aware that this proviso has given rise to litigation, though a claim based on it appears to have been put forward in the “India Fan” case, nor am I persuaded that its usefulness has been exhausted.

141. The terms of section 6(3) and its proviso are complementary to each other. Under sub-section (3) the Registrar has to be satisfied that a mark is adapted to distinguish before ordering registration. For such purpose he takes into account “acquired distinctiveness” under sub-section (3)(b). Where, however, the proviso operates, the acquired distinctiveness is sufficient by itself and it is not necessary for the Registrar to consider further whether this acquired distinctiveness is of such a character as is adapted to distinguish the trade mark. The net result is that the test of distinctiveness under the proviso is less stringent than under section 6(3)(b).

142. I agree with the remarks of the Officer on special duty that the proviso might be retained at least for the reason that its omission might create more complications than its retention.

143. In regard to the provision regarding the degree of distinctiveness requisite to enable a mark to be registered in Part B of the Register I have compared the different enactments in
force in the U.K., Australia, Canada and the U.S.A. and I have arrived at the conclusion that
the draft which is appended and which is in great part taken from the Lanham Act (U.S.A.)
would best serve our needs.

“6(A)(1):—Capability of distinguishing requisite for registration in Part B of the
Register.—A trade mark, not being a certification trade mark, may be registered in Part
B of the Register if it is a mark capable of distinguishing the applicant’s goods, and
which has been lawfully used by the applicant for two years preceding the making of
the application, provided that the Registrar of Trade Marks may waive the requirement
of two years’ user upon being satisfied that the registration is required as a basis for
foreign protection”.

“6(A) — A trade mark may he registered in Part B of the register notwithstanding
any registration in Part A in the name of the same proprietor of the same trade mark
or any part or parts thereof”.

I have taken draft section 6(A)(2) from section 10(3) of the U.K. Act.

SECTION 7

144. The section uses the expression “any tribunal” including thereby “a tribunal” as
declared in section 2(1)(n) as well as any other Court. In view of the altered definition of the
expression “tribunal” there is need to change the phraseology of this section. It should read:

“7(1): A Trade mark may be limited wholly or in part to one or more specified col-
ours, and any such limitation shall be taken into consideration by the tribunal or any
other Court having to decide on the distinctive character of the trade mark.

(2) So far as a trade mark is registered without limitation of colour it shall be deemed
to be registered for all colours.”

SECTION 8

145. This is practically a reproduction of section 11 of the U.K. Act except that sub-section
(b) has been introduced to deal with local conditions. The language of section 11 of the U.K.
Act has been subjected to serious criticism by the Court of Appeal in England, Evershed M.R.
speaking of section 11 in In the matter of Broad-head’s Application for Registration of a
Trade mark (67 R.P.C. 209), (at page 212) said:

“In the course of the argument, attention has been drawn to the somewhat curious
syntax of that section, and also to the provision that the mark which it is unlawful to
register is not one the use of which, simpliciter, would be likely to cause confusion or
to deceive, but which, for the reason that it would be so likely or for other reasons,
would be disentitled to protection in a Court of Justice. What precisely that means it is
fortunately not now necessary to determine.”

The language of section 8 of the Indian Act has been commented on in some Indian decisions
to which it is unnecessary to refer. I am in favour of the amendment of this section. The draft
suggested by the Committee is in accordance with the Goschen Committee’s recommenda-
tion in 1934 but which for no apparent reason was not adopted by the framers of the U.K.

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Act of 1938. The section corresponding to this has been re-drafted in Australia in the Act of 1954 as section 28 which runs thus:

“28. A mark—

(a) the use of which would be likely to deceive or cause confusion;
(b) the use of which would be contrary to law;
(c) which comprises or contains scandalous matter or
(d) which would otherwise be not entitled to protection in a Court of Justice,

shall not be registered as a trade mark.”

I would prefer this form as being more simple, elegant and with the least amount of ambiguity. I would, however, make some slight alterations so that section 8 would then read:

“8. A mark—

(a) the use of which would be likely to deceive or cause confusion;
(b) the use of which would be contrary to law or morality;
(c) which comprises or contains scandalous matter;
(d) which is likely to hurt the religious susceptibilities of any class of the citizens of India or
(e) which would otherwise be disentitled to protection in a Court of Justice,

shall not be registered as a trade mark.”

SECTION 10

146. An appeal lies against an order of the Registrar under section 10(2) directing the registration of a mark as well as against the imposition of conditions [vide section 76(1)]. But on the language of the section as it stands, it is doubtful if the appellate Court has power to impose conditions and limitations where these have not been imposed by the Registrar or vary the conditions in appeals against the orders of the Registrar. In my opinion it is necessary that the Court should have such a power.

147. To provide for the above in the light of my recommendation as to the forum I would suggest that section 10(2) should be amended to read as follows:

“10(2): In the case or honest concurrent use or of other special circumstances which, in the opinion of the Registrar or the Competent Court on appeal, make it proper so to do, the Registrar or such Court may permit the registration of trade marks that are identical or nearly resemble each other in respect of the same goods or description of goods be more than one proprietor subject to such conditions and limitations, if any, as the Registrar or such Court, as the case may be may think it right to impose.

148. Section 10(3) — There are two matters in respect of which the Committee desire a change. One is a provision for effect being given to settlements reached by rival applicants during the pendency of the proceedings before the Registrar or an appellate Court. The second is as regards the forum designated by the expression “Competent Court”. I am one with
the Committee in regard to the first matter. A re-draft of the section on the lines of the U.K. Act would achieve it.

149. So far as the second point is concerned, the matter stands thus. From every order passed by the Registrar including an order directing the parties to have their rights adjudicated by a Court, an appeal lies to a High Court. On the scheme which I have formulated above, the particular High Court which would have jurisdiction to entertain an appeal in a particular case would be that Court which has territorial jurisdiction over the office where the application was or deemed to be filed. In view of this there will be no room for ambiguity in the determination of the appellate forum.

150. The parties might however, challenge the order of the Registrar by preferring an appeal but elect to have their rights adjudicated by the Court as directed by the Registrar. The expression “Competent Court” which now occurs in section 10(3) would in its normal connotation include any Court which would have jurisdiction to grant to the plaintiff the relief of declaration which he might seek. Every civil Court in the country having territorial jurisdiction over the matter would necessarily be a competent Court in this connection. The suggestion of the Committee. I understand, is to make a change in this regard and designate the High Court as the competent court for this purpose. I am in agreement with the “Committee in respect of this matter also. The number of cases likely to arise under section 10(3) must indeed be very few and I do not think it will add much to the work of the High Courts if these are rendered the sole forum for entertaining such actions.

151. The next point to be considered is the determination of the particular High Court which should have jurisdiction to entertain these proceedings I am of the view that logically it should be the same High Court as would have jurisdiction to entertain an appeal against the Registrar’s orders. Such a provision would secure a degree or uniformity as regards the forum in all cases by making the filing of the application the test for determining the forum for all subsequent proceedings. I have sought to achieve this by the use of the expression “Competent Court” in this section as defined in the proposed section 2(1)(bb).

152. The next matter which remains to be considered is as regards the form in which such an action should take. It has to be borne in mind that these proceedings are original in nature and should normally be by suit. In order to avoid delay and secure expedition in the disposal of such actions I would recommend that these proceedings should be by way of an original petition in the High Court. Draft rules might be framed by Government which the High Courts might adopt for giving effect to this provision. If the Act should provide for proceedings being taken by way of Original Petition for the disposal of this matter, there will be no necessity to have an elaborate provision as to appeals as suggested by the Committee. The jurisdiction conferred by the Trade Marks Act would become assimilated to the normal jurisdiction of the High Court in other spheres and the provision for appeals from the decisions of single Judges would automatically be attracted to decisions in these matters (vide National Sewing Thread Co. v. J. Chadwick & Bros., 1953, Supreme Court Journal 509).

153. Lastly, a question has been raised as to whether the Registrar’s jurisdiction under section 10(3) would be attracted to cases where though separate applications for the registration of the same or similar mark are made by different persons, these persons do not file notice of opposition under section 16(1) in respect of the application of the others. Whatever may be the correct interpretation of the section as it stands, I am of the opinion that the procedure
under section 10(3) of the Registrar being in a position to refer the parties to a competent Court in cases where he feels the matter not clear enough to enable him to register the mark of one of these applicants, ought to be extended to cases even where there is no formal notice of opposition under section 16(1).

154. To achieve the foregoing I would suggest the sub-section being amended thus:

“10(3): Notwithstanding the provisions of section 16(1) where separate applications are made by different persons to be registered as proprietors respectively of trade marks which are identical or nearly resemble each other, in respect of the same goods or description of goods, the Registrar may refuse to register any of them until their rights have been determined by the competent Court or have been settled by agreement in a manner approved by him or by the competent Court on an appeal as the case may be.”

SECTION 13

155. Though the language of section 13(a) varies slightly from that of the corresponding provision in the British Act — section 14(a) — and the former contains the added words “or for the separate registration of which no application has been made”, I do not think it necessary to bring it into line with the British enactment. In this connection I might point out that the wording of the recent Australian Act is much clearer than either the British or the Indian Act. The relevant portion which is contained in section 32 of that Act runs thus:

“(1) If a trade mark
(a) contains parts—
(i) which are not the subject of separate applications by the proprietor for registration as trade marks; or
(ii) which are not separately registered by the proprietor as trade marks; or
(b) contains matter which is common to the trade or is otherwise not distinctive, the Registrar etc.”.

156. I would prefer this form being adopted to the present section 13(a) If this recommendation were accepted section 13 would run thus:

“13. Registration subject to disclaimer. If a trade mark—
(a) contains parts—
(i) which are not the subject of separate applications by the proprietor for registration as trade marks; or
(ii) which are not separately registered by the proprietor as trade marks; or
(b) contains matter which is common to the trade or is otherwise not distinctive, the tribunal in deciding whether the trade mark shall be entered or shall remain on the register, may require, as a condition of its being on the register, that the proprietor shall either disclaim any right to the exclusive use of such part or of all or any portion of such matter, as the case may be, to the exclusive use of which the tribunal holds him not to be entitled, or make such other disclaimer
as the tribunal may consider necessary for the purpose of defining the rights of the proprietor under the registration.

Provided that no disclaimer shall affect any rights of the proprietor of a trade mark except such as arise out of the registration of the trade mark in respect of which the disclaimer is made”.

**SECTION 14**

157. Section 14.—This section requires to be amended in view of:—

(1) the introduction of the Part B register;

(2) the introduction of zones and offices in such zones for the purpose of the filing of applications by persons residing or carrying on business in areas within the prescribed zones.

158. To achieve these I would suggest the amendment of section 14 to read as follows:—

“14. Application for Registration.— (1) Any person claiming to be the proprietor of a trade mark used or proposed to be used by him who is desirous of registering it, must apply in writing to the Registrar in the prescribed manner for registration either in Part A or in Part B of the register.

(2) The application shall be filed in such office of the Registry as may be prescribed.

(3) Subject to the provisions of this Act, the Registrar may refuse the application, or may accept it absolutely or subject to such amendments, modifications, conditions or limitations, if any, as he may think fit.

(4) In the case of an application for registration of a trade mark (other than a certification trade mark) in Part A of the register, the Registrar may, if the applicant is willing, instead of refusing the application, treat it as an application for registration in Part B and deal with the application accordingly.

(5) In the case of a refusal or conditional acceptance the Registrar shall, if required by the applicant, state in writing the grounds of his decision and the materials used by him in arriving thereat.

(6) The tribunal may at any time, whether before or after acceptance, correct any error in or in connection with the application, or may permit the applicant to amend his application upon such terms as it may think fit.”

159. There are two provisions in the recent Australian Act which I consider could usefully be adopted into our Act and they are section 43 and 44(3) of that Act.

160. Section 43 deals with the division of applications for registration. I would incorporate this with a few verbal changes as section 14-A to read as follows:—

“14-A. Division of application.— (1) Where a part of a trade mark which is the subject of an application for registration is separately registrable as a trade mark, the applicant may, before the application has been accepted or refused, make a further
application for the registration of that part in respect of goods in relation to which the first-mentioned application was made.

(2) A further application so made shall, if the Registrar so directs, be deemed to have been filed on the date on which the first-mentioned application was filed.

(3) Where an application has been made for registration of a trade mark in respect of certain goods and, before the application has been accepted or refused, the applicant has made a further application for the registration of that trade mark in respect of goods included in the description of goods in respect of which the first-mentioned application was made, the Registrar may direct that the further application shall be deemed to have been filed on the date on which the first-mentioned application was filed."

161. At present though there is power under section 14(3) to correct any error in an application, there is no power to refuse registration after an application is accepted except on the ground at error or under direction of the Central Government. The provision in Australia is wider and in my opinion it would be useful here also. This I would insert as section 14-B reading as follows:—

“14-B. Withdrawal of acceptance.— Where, after the acceptance of an application for registration of a trade mark but before the registration of the trade mark, the Registrar is satisfied:

(a) that the application has been accepted in error; or

(b) that, in the special circumstances of the case, the trade mark should not be registered; or should be registered subject to conditions or limitations, or to additional or different conditions or limitations, the Registrar may withdraw the acceptance and proceed as if the application had not been accepted.”

SECTION 16

162. The introduction at the Part B Register and India joining the International Convention call for a few changes in section 18. Further, the insertion of the new provision in section 14B necessitates a few minor changes which I have carried out and the section will read:—

“16(1). Registration.— Subject to the provisions of section 14B, when an application for registration of a trade mark in Part A or Part B of the Register has been accepted and either has not been opposed and the time for notice of opposition has expired, or having been opposed, has been decided in favour of the applicant, the Registrar shall, unless the Central Government otherwise directs, register the said trade mark in Part A or Part B register as the case may be and the trade mark when registered shall be registered as of the date of the making of the said application and that date shall be deemed for the purpose of this Act to be the date of registration.

Provided that the foregoing provisions of this sub-section relating to the date as of which a trade mark shall be registered and to the date to be deemed to be the date of registration, shall, as respects a trade mark registered under this Act with the benefit of the International Convention have effect subject to the provisions of section 83.”
SECTION 18

163.— **Duration and renewal of registration.**— The duration of the first registration and the periods for which the renewals under the Act of 1940 would enure have been modelled on the U.K. Act. While the period of 7 years has been prescribed as the duration of the original registration, a renewal keeps the registration alive for a period of 15 years — (14 years under the U.K. Act) — under section 18(2). I take it that the reason for prescribing a longer duration for renewals is based on the principle that when the proprietor continues to use the mark for a period of 7 years, it is worth while for the mark being continued on the Register for a fairly long period. In Australia under the Trade Marks Act from 1905 to 1948 the life of the original registration was 14 years, renewals also being effective for the same period, (a provision taken from section 28 of the U.K. Act of 1905). The Committee which considered the revision of the Australian Act suggested the cutting down of the duration of the initial registration to 7 years but recommended the retention of 14 — year-period for the renewals. They say in paragraph 86 of their report:—

“The reason for this reduction is that in practice it has been found that the registration of a relatively high proportion of marks is not renewed and under existing conditions they encumber the Register for fourteen years. This causes considerable administrative inconvenience, unnecessarily extends the work of the Examiners and acts as a bar to registration of marks by persons who might legitimately desire to register marks which are still on the Register but are in effect defunct. The clause as altered reduces this disadvantage. This new procedure will act to the benefit of both the Trade Marks Office and the public. It is thought that seven years is a sufficient period within which the registered proprietor can determine whether the mark is to remain on the Register.”

164. I am of the view that the same reason will hold good even in respect of renewals and that it is not necessary to treat renewals in a manner different from the original registration. This would result in eliminating defunct marks from the Register and would also serve as a source of revenue to the State. In fact on a rough computation which I have made I expect it would bring in about 2 lakhs of rupees per year after a few years pass. If this proposal is accepted; it would mean that within a period of 22 years instead of two renewal fees, three payments would have been made.

165. I would also favour the increase in the renewal fee and raise it to Rs. 100. If the business in respect of which the mark is being used, thrives for a period of 7 or 14 years there is no harm and nothing unreasonable in demanding from the applicant for the renewal, a little more than on the original application for registration, say Rs. 100. As this expense occurs only once in seven years, it will amount to a trifle so far as the applicant is concerned.

166. In view of this in sub-section (2) of section 18 for the words “for a period of fifteen years”, the words “for a period of seven years” should be substituted.

167. On the language of the amended clause, the right of persons who have already obtained renewals which enure for fifteen years are not affected and hence no saving provision is necessary. All renewals effected after the coming into force of the amending Act would be course of effective only for 7 years.

168. Section 18(3) is a reproduction of section 20(3) of the U.K. Act whereunder the conditions subject to which the Registrar may restore a mark which has been removed from the
Register for nonpayment of renewal fee are to be prescribed by the rules. The relevant Indian rule is Rule 49(2) corresponding to Rule 68 of the U.K. Rules on the other hand, section 71 of the Australian Act embodies the conditions in the section itself and imposes a time limit of 1 year for such applications. Though I do not see any advantage in transferring the provision in the rule to the main Statute, I see considerable benefit in imposing the time limit of 1 year as in the Australian Act. It is undesirable to permit a registered proprietor of a lapsed mark to sleep over the matter for years and then come forward with an application for restoration possibly with a view to sustain an action for infringement which he has filed or is contemplating. I would have this limitation introduced into rule 49(2).

SECTION 20

169. The Committee have recommended in paragraph 34 the deletion of the exception in favour of old trade marks. I am also in favour of the deletion of this portion of the section though for reasons not exactly the same as those of the Committee. The first portion of the section deals with the property right in a mark and the remedies open to the owner of the mark to assert his rights to that property. In regard to unregistered marks I have recommended the deletion of the provision in section 54 of the Specific Relief Act which appears to confer a property right in relation to such marks. The only right of an owner of an unregistered mark is to protect himself and the public from deceit by another passing off his own goods as those of the proprietor of the mark. This is provided for by section 20 sub-section (2).

170. The provision in regard to old marks has evidently been copied from section 40 of the U.K. Trade Marks Act of 1905 which itself reproduced earlier legislation on the point. But there the necessity for such a provision arose out of the varying characteristics of a registrable mark under the Acts of 1883 and 1888. Thus certain species of marks although distinctive were still not registrable under the Acts of 1875 and 1883 and the Trade Marks Act of 1905 for the first time enacted that any mark which was distinctive could be registered. In India we started with a clean slate in 1940 and under the Act any distinctive mark, subject to the provisions of the Act is registrable. Further, in regard to old marks a special provision has also been made in the proviso to sub-section 3 of section 6. This concession having been made, sufficient protection has been afforded to these old marks even though they are not adapted to distinguish. In the light of these considerations to render refusal to register a mark a qualification for protection as a trade mark merely because it is old seems unsound and illogical. On the language of the clause as it stands, if the two conditions, namely, that the mark has been used since before 25th February, 1937 and that an application made within five years from the commencement of this Act has been refused are satisfied it would be sufficient to confer upon the mark certain of the benefits of a registered mark even though it might be that registration was refused on the ground say that the design was scandalous or otherwise offended against section 8, though obviously no court would protect such a mark. There have however been no decisions interpreting this section. For these reasons I am of opinion that the reference to old marks might be deleted from section 20(1).

171. Further in sub-section (1) as it stands, though a relief by way of the recovery of damages might be denied to the proprietor of an unregistered trade mark, it is not clear whether he is precluded from suing for an account of profits or say for delivery up of the offending labels etc. To make the intention clear and to avoid ambiguity. I suggest a modification of the
reference to the reliefs which are mentioned in sub-section (1). In view of a provision whose
insertion in a later portion I am recommending setting out the reliefs which the proprietor
of a registered trade mark would be entitled, I am not specifying those reliefs here except in
general terms. This section I would amend to read thus:—

“20(1). No action for infringement of unregistered trade mark.— No person shall
be entitled to institute any proceedings to restrain the infringement of an unregistered
trade mark or to obtain any other relief in respect of such infringement.

(2) Nothing in this Act shall be deemed to affect lights of action against any person
for passing off goods as the goods of another person or the remedies in respect thereof.”

SECTION 21

172. Sec. 21.— The main recommendation of the Committee with regard to this section is
to clarify its language so as to give effect to the decision of the Court of Appeal in the Bismag
case. (Bismag Ltd. v. Amblins (Chemists) Ltd., 57 R.P.C. 209).

173. It is necessary to refer to a few decisions in order to understand the pros and cons of
the matter living’s Yeast-Vite Ltd. v. Horse nail, (1934) 51 R.P.C. 110) was an action for infringe-
ment where the plaintiff complained as an infringement, the description by the defendant
of his produce as “a substitute for yeast-vite” which was manufactured and vended by the
plaintiff. The defendant however had made it clear that his product was not “Yeast-Vite” so
that there was no infringement as generally understood. But the point sought to be made by
the plaintiff was that the defendant sought to derive an unfair advantage by referring to his
product as “a substitute for Yeast-Vite” thus obtaining the benefit of the advertisement and
popularity which attached to the name “Yeast-Vite”. The plaintiff’s action was dismissed by
all the Courts including the House of Lords.

174. Representations were made to the Goschen Committee in England that the law in this
respect should be altered. The Committee recommended the adoption of a provision which
they thought would cover the case and accordingly section 4(1)(b) of the British Act of 1938
was enacted, this provision being identical with our section 21(b). The effect of the words
used in section 4(1)(b) came up for consideration before the Courts in Bismag Ltd. v. Amblins
(Chemists) Ltd. (57 R.P.C. 209). The defendant stated in a trade catalogue that his remedy
was identical with, and as efficacious as, the goods covered by the trade mark “Bismag”
but cheaper. The question was whether this reference to the plaintiffs goods constituted an
infringement of the trade mark and whether the language of the British section 4(1)(b) was
apt to render this, an infringement. The case came in the first instance before Simonds, J.,
who dismissed the action following the Yeast-Vite case. There was an appeal to the Court of
Appeal. Lord Greene, M.R., and Clauson L.J. by a majority, and Mackinnon, L.J., dissenting,
decreed the plaintiffs’ suit and granted them an injunction. The reasoning of the Master of
the Rolls was that section 4(1)(b) added some words and this must have been intended to alter
the law and though the words might in themselves be obscure it should be held that there had
been a legislative reversal of the decision in the Yeast-Vite case. Lord Greene M.R. said of the
section: “It confers upon the proprietor a novel type of monopoly for which no consideration
is given to the public” and described it in a later passage as “a remarkable piece of legisla-
tion”. The decision of the Court of Appeal was not taken up on further appeal but the House
of Lords had to consider a related question in Aristoc Ltd. v. Rysta Ltd. (62 R.P.C. 65) where
Lord Macmillan expressed a definite preference for the dissenting views of Mackinnon L.J. in the *Bismag case*. The position in England would therefore appear to be a matter of some doubt. In view, however, of the opinion expressed by Lord Greene, M.R. about the nature of the monopoly conferred by this provision, public interest would seem to require a clarification just contrary to that suggested by the Committee.

175. I might also mention that the Dean Committee in Australia which considered this matter in full were unanimously against enacting a provision giving statutory effect to the *Bismag case*. They say in their report at paragraph 27.— “In view of these judicial strictures we should certainly not be prepared to adopt the British provision as drafted. However we go further and consider that so novel and far-reaching a provision should not be enacted at all.” I entirely agree with this view of that Committee.

176. In my opinion the only manner in which section 21 has to be amended is by deleting sub-clause (b), as its presence is calculated to cause confusion.

177. I am also against the other suggestion made by the Committee in relation to this section that the right conferred by registration should extend not merely to the goods for which the mark is registered but also to goods of a similar description. I do not see any anomaly between section 10(1) which deals with the deception which is likely to arise and which has to be taken into account at the time of registration and the provisions of section 21 dealing with the rights conferred by registration. There is no need to extend these rights by making them comprehend goods other than those for which the proprietor has registered, merely because these other goods fall within the same description. Any such extension will unnecessarily complicate the decision of the infringement action and on this ground and if not on any other, the recommendation of the Committee should be rejected.

178. Section 21 as it originally stood in the Trade Marks Act of 1940 contained the words “if valid” in the third line — reproducing in this respect the words of section 4(1) of the U.K. Act. If these words were present, the validity of the registration could be attacked by a defendant in an infringement action, the usual procedure in England being for such party to make a cross claim for rectification. These words were deleted by the Trade Marks Amendment Act, 12 of 1948 because of the reciprocal arrangements made with the Indian States as also to avoid every District Court trying an infringement action from having jurisdiction to determine the validity of the registration. In view, however, of the recommendations I have made, vesting an exclusive jurisdiction to rectify the register in particular High Courts, the allowance of such defence would not create any inconvenience. Further by reason of the provisions I am making for stay of infringement actions pending rectification proceedings, a consequential amendment has to be made in section 21 making it possible for defendants to raise as a defence the invalidity of the registration. As such a defence obtains in England, Canada, Australia, and U.S.A. I do not see any reason why this should not be permitted here. I would, therefore, restore the words “if valid” at the place where they were before their deletion in 1946.

179. In view of the introduction of a Part B Register certain changes have to be made in section 21. The section if amended conformably to the above suggestions, would read:—

“Section 21.— Rights conferred by registration in Part A of the Register and the infringements thereof.— Subject to the provisions of sections 22, 25 and 26 the registration of a person in Part A of the Register as proprietor of a trade mark in respect of any goods shall, if valid, give to that person the exclusive right to the use of the
trade mark in relation to those goods, and, without prejudice to the generality of the foregoing provision, that right shall be deemed to be infringed by any person who, not being the proprietor of the trade mark or a registered user thereof using by way of the permitted use, uses a mark identical with it or so nearly resembling it as to be likely to deceive or cause confusion, in the course of trade, in relation to any goods in respect of which it is registered.”

180. The last words of the first para of section 21 including sub-clause (b) are omitted as being tautologous. In this connection I might refer to section 82(1) of the Australian Act — which also omits these words which occur in section 4(1)(a) of the U.K. Act.

181. Section 21A.— This new section which I have suggested has been necessitated by the introduction of the Part B Register. The corresponding provision in the U.K. Act is continued in section 5 which I suggest may be substantially adopted. Section 21A will read as follows:—

“21A. Right given by registration in Part B and infringement thereof.— (1) Except as provided by sub-section (2) of this section, the registration of a person in Part B of the register as proprietor of a trade mark in respect of any goods shall, if valid, give to that person the like right in relation to those goods as if the registration had been in Part A of the register and the provisions of section 21 shall have effect in like manner in relation to a trade mark registered in Part B of the register as they have effect in relation to a trade mark registered in Part A of the register.

(2) In any action for infringement of the right to the use of a trade mark given by registration as aforesaid in Part B of the register, no injunction or other relief shall be granted to the plaintiff if the defendant establishes to the satisfaction of the Court that the use of which the plaintiff complains is not likely to deceive or cause confusion or to be taken as indicating a connection in the course of trade between the goods in respect of which the trade mark is registered and some person having the right either as a registered proprietor or as registered user to use the trade mark.”

SECTION 22

182. I am unable to see how even if the recommendations of the Committee as regards the amendment of section 21 so as to give effect to the Bismag case were accepted, any consequential amendment would be needed to section 22. In view however of the amendment which I have suggested to section 21, this question does not arise.

183. I would, however, suggest a slight drafting change in the opening words of sub-section (2) of this section so as to bring it into line with section 4(2) of the U.K. Act. I would have the sub-section run:—

“22(2).— The right to the use of a trade mark given by registration as aforesaid shall not be deemed to be infringed by the use of any such mark as aforesaid by any person—

(a) in relation to goods connected in the course of trade with the proprietor or a registered user of the trade mark if, as to those goods or a bulk of which they form part, the proprietor or the registered user conforming to the permitted use has applied the trade mark and has not subsequently removed or obliterated it,
or has at any time expressly or impliedly consented to the use of the trade mark; or

(b) in relation to goods adapted to form part of, or to be accessory to, other goods in relation to which the trade mark has been used without infringement of the right given as aforesaid or might for the time being be so used, if the use of the mark is reasonably necessary in order to indicate that the goods are so adapted and neither the purpose nor the effect of the use of the mark is to indicate otherwise than in accordance with the fact a connection in the course of trade between any person and the goods.”

SECTION 23

184. Section 23.— In view of my recommendation regarding the reinstatement of the words “if valid” it would be open to a defendant in an infringement action or to an accused in a prosecution to raise a plea that the registration is invalid. But on the scheme which I have suggested, this defence would not be tried by the court trying the infringement action or the criminal case unless it were also a “Competent court” which is vested with exclusive jurisdiction to deal with applications for rectification. On the definition of “Competent court” only certain High Courts would have this jurisdiction. This would satisfy any apprehension that a rectification of the Register would be ordered or a plea regarding the invalidity of the registration upheld by an inferior court. I have discussed the matter fully in my notes to section 73 and the section as redrafted should allay any fears in this regard.

SECTION 24

185. This section corresponds to section 13(1) of the U.K. Act with a small variation to which I shall refer presently. The object of this provision in the U.K. Act is to attach validity to the registration, not merely a *prima facie* validity, as under section 23 but a conclusive validity, in cases where more than seven years have elapsed after the registration of a trade mark. Two contingencies have been provided in which this conclusive presumption as to the validity of registration is overcome.

186. The first is where the original registration has been obtained by fraud. Acting on the rule that length of time does not cure any fraud the section provides for the registration being challenged on that ground even after the lapse of seven years.

187. The second ground mentioned is that the trade mark offends against the provisions of section 8. In regard to this provision the first observation which I would like to make relates to the variation which has been made in reproducing the U.K. Act. In section 13 of the U.K. Act, “all legal proceedings relating to a trade mark” with which section opens are expressly made to include applications for rectification. I am unable to understand the reason why the framers of the Indian Act have omitted this portion. There is a reference to section 46 in section 9 as also in section 27(2) and I do not believe that it was the intention of the Legislature that notwithstanding the conclusive validity conferred upon a registered trade mark after a lapse of seven years that presumption was not to be applied in applications for rectification under section 46 and that, if in any case a mark is shown to have been wrongly on the Register, it could be removed without reference to the conditions laid down by section
24 in cases where the mark has been on the register for over 7 years. The first amendment therefore which would have to be made to this section is to introduce a clause that the legal proceedings referred to in the opening words include applications for rectification under section 46.

188. The next matter to which I desire to refer is in relation to the expression “offends against the provisions of section 8”. I have already set out the two contingencies in which the conclusive presumption enacted by the section may be rebutted. One is fraud at the time of the registration. The expression used in relation to that contingency is that the registration was obtained by fraud, using the past tense. But when we come to the other condition the words used are “offends against the provisions of section 8” using the present tense. The decisions in regard to this have pointed out this anomaly but have construed the second condition, notwithstanding the use of the present tense, as referring to the period when the original registration was effected. Referring to the difference in the tenses in these two provisions, Eve, J, said in the “Gripe Water” case (32 R.P.C. 173 at 198):

“I do not overlook the fact that in the same section — section 41 (of 1905) — (corresponding to section 24 of Indian Act) the line which immediately precedes that which I have read with regard to section 11 (corresponding to section 8 of the Indian Act) is framed in the past tense, that it is ‘unless such original registration was obtained by fraud’ and that when it comes to deal with section 11 it is ‘or unless the Trade Mark offends against the provisions of section 11 of this Act’. Turning to section 11, it is material to note first of all that that is a section which refers only to the moment of registration. The time at which section 11 has to be invoked is the time when a trade mark is tendered for registration. ‘It shall not be lawful to register as a Trade Mark or part of a trade mark any matter the use of which would by reason of its being calculated to deceive or otherwise be disentitled to protection in a court of justice’. Am I entitled to say that a Trade Mark which when tendered for registration, was on the evidence neither calculated to deceive nor otherwise disentitled to protection, must be judged years after the registration and notwithstanding a user of it consistent throughout with that registration, by the existence of facts for which the owner of the mark may be in no way responsible and which indeed he may not have been able to control?”

On these grounds, therefore, the learned Judge held that the mark did not become disentitled to protection by reason of the subsequent facts which transpired and over which the registered proprietor had no control. In other words, though the present tense is used in section 41 of the U.K. Act. (corresponding to section 24 of the Indian Act) it referred one back to section 11 of the U.K. Act (section. 8 here) and as this latter provision dealt with the condition of affairs as they obtained at the time of the registration one virtually got a past tense and a reference to a past state of circumstances for negativing the presumption raised by the section.

189. A slightly different view was taken in the case of Lacteosote Ltd. v. Alberman (44 R.P.C. 211). The following passage (at p. 225) from the judgment of Clauson, J, brings out this difference:

“It would seem to be reasonable and is, in my judgment, the law, that a mark ceases to be a good mark if owing to the action of the registered owner it becomes deceptive.”

The result of this reasoning is that “offends” is read as if it referred to the present tense and if at the date of the application for rectification the mark had become deceptive though it might
be owing to the action of the registered proprietor, it must be taken to be “wrongly on the register” within the meaning of the section—corresponding to our section 46, and could be removed from the Register.

190. Wynn-Parry, J, in the Pan Press Publications Ltd. case (65 R.P.C. 193) referred to these somewhat divergent views in the earlier decisions and stated the conclusions which he had reached in these terms (at p. 201).

“The conclusions of law to which I come on section 32 and these authorities are, first, that, in order that it can be predicated of an entry that it remains wrongly on the Register it must be shown that it so remains contrary to some other section of ‘the Act; secondly that for such a purpose section 11 can be invoked; and thirdly that, apart from any express provision such as is to be found in section 15 of the Act of 1938 (corresponding to section 27 of the Indian Act), the Court will not direct a mark to be expunged of which it cannot be suggested that it was calculated to deceive when it was registered or was not otherwise disentitled to protection, but which in course of time, through circumstances over which the owner of the mark has had no control, has become calculated to deceive, unless, possibly, as was suggested by the Assistant Comptroller, in a case where the public interest is strongly concerned and the damage which would be inflicted upon the registered proprietor by the expunction of his mark would be comparatively slight.”

He, however, guarded himself by saying that he did not desire to be taken as expressing any view “as to this possibility or doing more than having the matter open for consideration if such a case should arise”.

191. In view of these divergent views I am of opinion that the matter should be clarified by legislation and should not be left merely to judicial interpretation.

192. If the construction generally adopted in England of section 13 of the U.K. Act, namely, that the expression “offends” refers only to the date of the original registration, that is reading it as “offended”, the result would be that a mark which has become illegal by subsequent statute could not be removed from the Register. This is not a very desirable state of affairs and the language of the section ought to obviate this possibility.

193. Lastly, section 27 provides that if a mark becomes well-known as the name or description of an article or substance, it might be removed in the circumstances mentioned in subsection 2 of that section. The question arises whether section 24 ought to bar the removal of such marks from the Register. The passage which I have extracted from the judgment of Wynn-Parry, J, shows that in England the section corresponding to section 27 of the Indian Act (section 15 of the U.K. Act of 1933) is treated as an exception to section 13(1). In my opinion it ought to be specifically so provided.

194. The conclusive validity provision applies in the United Kingdom to the registration in Part A and not to the marks registered in Part B of the Register. This is based on sound principle and should be adopted here.

195. Taking all these into consideration I would suggest the following re-draft of section 24:

“Section 24.—(1) Subject to the provisions of section 27, in all legal proceedings relating to a trade mark registered in Part A of the Register (including applications
under section 46 of this Act), the original registration of the trade mark, shall after the expiration of seven years from the date of such registration be taken to be valid in all respects unless it is shown

(a) that the original registration was obtained by fraud,

(b) that the trade mark offended at the date of the original registration or offends on the date of the commencement of the proceedings, against the provisions of section 8 of this Act.

(2) Nothing in sub-section 1 of this section shall be construed as applicable to a trade mark registered in Part B of the Register.”

SECTION 26

196. In view of my recommendation suggesting the deletion of sub-clause (b) of section 21 the last words of this section have also to be deleted, that is, the words “not being a description that would be likely to be taken as importing any such reference as is mentioned in clause (b) of section 21 or in clause (b) of section 57.”

SECTIONS 28 TO 35

197. Sections 28 to 35.— These sections which are reproduced from the various sub-sections of section 22 of the British Act of 1938 deal with assignment and transmission of trade marks.

198. Section 29.— In the U.K. both at common law as well as under the statute, as it had stood before it was amended in 1938, registered as well as unregistered trade marks could not be transferred except in connection with the goodwill of the business in which the trade mark had been used. In other words, trade marks could not be assigned in gross. Representations were made to the Goschen Committee, that in view of the change in modern trading conditions, there need be no absolute bar to the assignability of these marks, even without goodwill. That Committee accepted these suggestions and recommended in their report provisions which are now to be found in section 22 of the British Act.

199. The general principle of these provisions may be summarised in these terms: (1) So far as registered trade marks are concerned, they could be assigned with or without goodwill of the business subject only to the avoidance of the possibility of confusion by the creation of multiple exclusive rights. (2) Unregistered trade marks cannot be assigned in gross but may be so assigned if done along with the assignment of a registered trade mark. (3) Where the assignment is in gross, that is without the transfer of the corresponding goodwill of the business, there has to be an advertisement in such form and manner as the Registrar may direct before the assignment takes effect, the object of this being to inform the public of the assignment which has taken place, and thus in part at least eliminate the possibility of deception and confusion. These provisions of the British enactment have been copied in section 28 to 33 of the Indian Act.

200. The matter has received considerable attention at the hands of the Dean Committee in Australia and in part X of their Report, while substantially accepting the English provisions,
they suggested two modifications to the absolute right of the registered proprietor to assign his trade mark. First, the trade mark must have been *bona fide* in use in Australia at the date of the assignment. As in the normal conception of a trade mark, use is the very life of a mark, the condition suggested by the Australian Committee appeals to me as worth putting down into the Indian statute. Next, that in order to eliminate the possibility of an assignor of a trade mark continuing to deal with the same goods and use the same or similar mark, there should be an express prohibition included in the enactment. Subject to these two conditions, that Committee favoured the adoption of the English rule as to the absolute right of a proprietor of a registered trade mark to assign his rights in the mark with or without the goodwill of the business. I consider that the second condition which is an expansion of the provision of section 31 and directed to the same end might be usefully adopted.

201. The recommendations of the Dean Committee are embodied in section 82 of the Australian Act. Though *bona fide* use within Australia is insisted on as a condition precedent to the assignability of a registered trade mark, no period of use is stipulated there and the only qualification is that the use must be in good faith. I would, however, prefer to lay down in the statute a minimum period of use to entitle an assignment of a registered trade mark without goodwill. I should consider that a period of two years may not be too long or hamper legitimate transactions. I would also add that the insistence of a condition as to user would greatly eliminate trafficking in marks which the common law rule against assignments in gross was designed to correct. There are a few other provisions of the Australian enactment on this topic which I consider useful and which I have incorporated in the draft below. But as they are minor and self explanatory. I do not think that any elucidation is necessary. I would re-draft section 29 as follows:—

“Section 29(1).— Notwithstanding anything in any other law to the contrary, a registered trade mark shall, subject to the provisions of this chapter, be assignable and transmissible whether in connection with or without the goodwill of the business concerned in the goods, in respect of which the trade mark is registered or of some only of those goods.

(2) Subject to the next two succeeding sub-sections, an assignment of a registered trade mark without goodwill after the prescribed date is invalid if—

(a) the trade mark was not in use in good faith in India by the assignor or his predecessor in title for not less than two years immediately preceding the assignment;

Provided that this prohibition shall not apply to an assignment to a company to be formed and registered under the Indian Companies Act, 1913 as provided by section 36 of this Act, or

(b) a substantially identical or deceptively similar trade mark continues to be used by the assignor, after the assignment, in relation to other goods, where there exists a connection in the course of trade between those goods and the assignor and where those goods are of the same description as those in respect of which the trade mark has been assigned, or of such a description that the public is likely to be deceived by the use of the trade mark by the assignor and assignee upon their respective goods.
(3) An assignment of a trade mark is not invalid if at the date of the institution of the proceedings in which the validity of the assignment is called in question, the trade mark has come to denote to the public a connection in the course of trade between the goods and the assignee to the exclusion of all other persons, or, if the registration is limited to a territory, to the exclusion of all other persons within that territory.

(4) An assignment of a trade mark shall not be held to be invalid except in proceedings instituted within three years after the registration of the assignment.

(5) If the goods bearing a registered trade mark are purchased or acquired by a person, the sale of or other dealing in those goods by that person, or by a person claiming under or through him is not an infringement of the trade mark by reason only of the trade mark having been assigned by the registered proprietor to some person after the purchase or acquisition of those goods.

(6) All rights subsisting in a trade mark (being a registered trade mark), whether under this Act or otherwise, shall be deemed to be assigned upon the registration of the assignment of the trade mark.”

SECTION 30

202. It is the policy of the law that in order to avoid deception of the public, an unregistered mark should not be assigned apart from the business and the goodwill associated with it. Otherwise, the owner of an unregistered mark might be entitled to permit another to use that mark inducing the public to believe that the goods belong to the business with which they were formerly associated whereas he himself might be carrying on the same business in his own name. Section 30, however, permits an assignment of an unregistered mark provided that this is done along with the transfer of a registered mark. But there is still the possibility that in order to enable the assignment of a registered mark without goodwill a trade mark is registered merely for the purpose of complying with the provisions of section 30 and to circumvent the policy of the common law as set out earlier. This is now avoided by the amendment I have suggested to section 29 requiring user for a minimum period of two years as a condition to the assignability of a registered mark.

203. If user were considered necessary to enable a registered trade mark to be assigned, it must a fortiori be so in the case of an unregistered mark in which case user alone gives it any distinctiveness and confers a right of ownership. A similar minimum period of two years’ user may therefore be insisted on in respect of unregistered marks also.

204. Section 30 purports to re-enact section 22(3) of the U.K. Act, but it will be noticed that section 22 starts with the general declaration that the right of property created in the shape of a registered trade mark shall be assignable and transmissible, and sub-section (3) comes in as part of that section dealing with unregistered marks. That is why it is couched in the form in which it is found in the English section. Section 30 however has, so to speak, reversed; this order. Under the general law, an unregistered mark is incapable of being assigned except in connection with the goodwill of the business in which it is used. But the opening words of the section indicate just the reverse and introduce what are really exceptions to the normal rule by the use of a double negative. The proper manner in which this section should be recast is to declare in the opening words “that an unregistered mark shall not be assignable
except in connection with or along with the goodwill of the business to which it is attached”. Exceptions should then be provided that in cases where the assignment or transmission takes place along with a registered mark it would have effect notwithstanding that the goodwill has not been transferred with the mark. All these would be achieved if the section ran:—

“30 — An unregistered trade mark shall not be assignable or transmissible except in connection with or along with the goodwill of the business;

Provided that an unregistered mark may be assigned or transmitted apart from the goodwill of a business if—

(a) at the time of assignment or transmission of the unregistered mark, it is used in the same business as a registered mark and both such registered mark and the unregistered mark have been used in that business for a period of at least two years;

(b) the registered trade mark is assigned or transmitted at the same time and to the same person; as the unregistered trade mark and

(c) the unregistered trade mark is used in relation to goods in respect of which the registered trade mark is resigned or transmitted”.

SECTIONS 29, 30 AND 47

205. Where a person applies to the Registrar for the registration of his name as proprietor on the ground that there has been a transmission of the right to him and where the Registrar is satified that on such evidence as is placed before him the statement of the applicant is correct, he would register the transmission. But there might be cases where before a change is made in the Register by which the name of the applicant is substituted as transmissee in place of the original proprietor, some person appears before him disputing the title of the applicant as the transmissee. In such cases it is not proper to expect the Registrar to decide the question as to the person in whose favour the right has devolved and the proper course would be to direct the parties to a Civil Court keeping the Register as it is until the result of such litigation is communicated to him. The Register can then be amended in accordance with the decision of the Court

206. A similar question might arise in cases of assignment also. The rules no doubt require that in the case of assignment both the assignor and the assignee should submit a joint application on the receipt of which the Registrar will proceed to register the assignee in the place of the assignor as the registered proprietor. Cases might easily be conceived; where before the actual change is effected in the register, the assignor complains either that the assignment is invalid or that it has been procured from him under circumstances entitling him to repudiate that transaction. The Registrar cannot be expected to decide upon the validity of the assignment where it is challenged before him. The proper rule to enact in these cases would be: (1) The application should be signed by both the assignor and the assignee and either the original deed of assignment or an authenticated copy thereof should be annexed to that application (2) The Registrar is competent to act on the application and make the necessary entries in the Register provided, of course, the assignment fees are paid. (3) If an assignor Disputes the validity of an assignment or challenges its binding character on him after the entries are made in the Register, the only course open to him would be to obtain rectification of the Register on
the ground that assignment is invalid. (4) Where, however, before the entries are made in the Register, the assignor withdraws the application for entering the assignment on the Register, the Registrar should refrain from making any entry and leave the assignee to obtain orders of Court upholding his rights before the Registrar can be called upon to register the assignment. The above procedure would relieve the Registrar of having to decide disputes between the assignor and the assignee as regards the validity of an assignment.

I have not drafted the necessary provisions to give effect to these recommendations but this may be done by the Government Departments.

SECTION 33

207. I am in general agreement with the recommendation of the Committee in paragraph 56 that no change need be made in the law requiring an advertisement in cases where a trade mark is assigned otherwise than along with the goodwill of the business.

208. The main consideration which moved the Goschen Committee to recommend advertisements in the section corresponding to our section 33 [section 22(7) of the U.K. Act] was to avoid deception of the public by the assignment of the mark without reference to the goodwill. Such a transaction amounts as it were to a splitting up of the business into two the original manufacturer or trader vending his goods without the mark and the assignee who is not the original manufacturer becoming entitled to use the mark on the same goods manufactured by him. This necessarily results in confusion and might lead to the deception of the public. In order to obviate this it became necessary to make it clear that in every case of assignment without reference to the goodwill, there should be a notice to the public which was effected by means of an advertisement. The argument put forward by the opponents of this provision, that the general public might continue to be ignorant of the changes in the trade origin of the goods even with an advertisement is beside the point, as the only possible course for the law to adopt is to provide facilities for the public to become aware of the changes that have taken place. For these reasons I am of opinion that the provision as to advertisement should be retained.

209. Section 33 though a re-production of section 22(7) of the U.K. Act is not very happily framed. Its opening words read as if the assignment dealt with under the section related to the goods and not to the mark or the goodwill in relation to such goods. The re-draft I have made would, I consider, eliminate this defect.

210. There is another matter to which I desire to refer. In the section as it stands there is a reference to assignments made after the commencement of the Act. As unregistered trade marks were not transferable at common law, except along with the goodwill of the business, and the splitting up of the goodwill and the mark became possible only after the Trade Marks Act of 1940 was enacted, there is no necessity to prescribe that the assignment should be made “after the commencement of the Act”. These words may therefore he omitted.

211. In paragraph 55 of their Report the Committee have drawn attention to the fact that the mention in the section of user of the mark in connection with the business of the goods at the time of the assignment might lead to the inference that in cases where immediately before the assignment there has been no user there is no necessity to advertise and that this result should be avoided. Since I have suggested user for a period of two years as a condition for the
assignability of the mark without the transfer of the goodwill this is an additional reason why there is no necessity to refer to user in the section. The draft I have made would achieve the object which the Committee have in view, namely, that in every case where there is an assignment of a mark without the transfer of the goodwill there should be advertisement.

212. I see no objection to the recommendation of the Committee in paragraph 58 of their Report but I do not consider that the draft proviso suggested by them would meet the requirements they have in view.

213. The Problems might be stated in these terms Where a trade mark is registered for more than one category of goods, section 29 of the Act permits assignment of the mark in respect of all or any of the goods. Where a trade mark has been applied by the proprietor to more than one item of goods he might transfer the trade mark together with the goodwill of the business in one only of these items of goods. In such cases though there has not been a transfer of the entirety of the goodwill of the business in all the goods for which the trade mark has been registered, there has been a transfer of the goodwill concerning one portion of the trade. On the section as it stands it is doubtful if in this case also there should be an advertisement. I would however mention in passing that the Committee have not dealt with this type of case.

214. The Committee have considered the case where the registered proprietor was using the mark on goods in his trade in India as well as in the export market and while retaining his business in this country he transfers the mark along with the goodwill only in regard to the export trade. The question which the Committee have posed is whether there should be all advertisement in such Cases. I agree with their conclusion that as there is a transfer of goodwill involved in the assignment, there need be no advertisement. I would, however, frame the provision in the form of two explanations to the section.

215. The section as re-drafted by me in the light of the above would read as follows:

“33. Where an assignment of a trade mark, registered or unregistered, is made otherwise than in connection with the goodwill of the business in which the mark is used the assignment shall not take effect, unless the assignee, not later than the expiration of six months from the date on which the assignment is made or within such extended period if any as the Registrar may allow applies to the Registrar for directions with respect to the advertisement of the assignment, and advertises it in such form and manner and within such period as the Registrar may direct.

Explanation 1.— Where the proprietor of a trade mark assigns it for some only of the goods for which it is registered together with the goodwill of the business concerned in those goods only, such assignment shall not be deemed to be an assignment otherwise than in connection with the goodwill of the business and shall not require to be advertised.

Explanation 2.— Where the proprietor of a trade mark which is used in relation to any goods traded in India as well as for export outside India assigns the mark together with the goodwill only of that part of the business concerned in the export trade, such assignments shall not be deemed to be an assignment otherwise than in connection with the goodwill of the business and shall not require to be advertised.”
SECTION 34

216. Section 34(2).— This sub-section purports to enact in substance the provision of section 23(1) of the British Act with however this variation that the words “but they shall for all other purposes be deemed to have been registered as separate trade marks” which occur in the British section are omitted here. I am unable to figure out the reason why this omission has been made. There is no provision elsewhere in the Act shinning the proposition laid down in these words to render their presence here unnecessary. I do not consider section 12, which corresponds to section 23(2) to (5) of the British Act, as laying this down. I would therefore recommend the amendment of sub-section (2) to bring it in line with section 23(1) of the British Act. It would then read:

“34(2).— Associated trade marks are assignable and transmissible only as a whole and not separately; but, subject to the provisions of this Act they shall for all other purposes be deemed to have been registered as separate trade marks.”

I may add that section 37 of the Australian Act of 1954 is exactly in the terms of the draft which I have recommended.

SECTION 36

217. The section in its present form enacts a provision contained in section 29(1)(a) of the British Act wherunder there is a relaxation of the requirement that an applicant for registration of a trade mark should either use or propose to use the trade mark himself in those cases where a company is about to be formed and the applicant intends to assign the mark to that company with a view to the use thereof in relation to those goods by the company when it comes into existence. In other words section 36(1) is an exception to the requirement regarding use or proposed use by the applicant laid down by section 14(1). The Goschen Committee on whose recommendation section 29(1) of the British Act was introduced suggested in paragraph 88 of their report the inclusion only of sub-clause (a) of section 29(1) but when the Bill passed through Parliament section 29(1)(b) which deals with use by the registered users was introduced. The recommendation of the Committee in paragraph 54 of their report is that the Indian law might be brought into line with that in the United Kingdom.

218. I am against the proposal of the Committee. In my opinion, the question is whether in the context of the conditions prevailing in this country such a provision would not really lead to a trafficking in marks. The questions which arise in this regard are two. (1) Is it necessary to confer a right to register a mark on a person who does not intend to use it himself but contemplates merely permitting others to use it? (2) Whether it is in the public interest that such permission should be granted to enable a person to be registered in such circumstances. The Committee in their report have referred to the evidence tendered on behalf of Messrs. J.K. Industries in support of their recommendation. Having gone through the memorandum submitted on behalf of this group as well as the oral evidence tendered on their behalf. I am unable to agree with the conclusions of the Committee. In my opinion, any such provision is likely to encourage and indeed provide legislative sanction for a trafficking in marks. There is no real analogy between the case covered by the present section 36(1) and what is proposed, by the Committee because in the former case the entire property in the mark would vest in the company on its registration and remain with them and there is no intention on the part of the registered proprietor to retain in himself any interest after the company comes into existence.
and obtains the assignment. In the latter case however the registered proprietor never intends to use it himself but merely desires to capitalise and derive profit from the reputation which he believes he has acquired in other fields than in the trade in goods in respect of which he desires the mark to be used. Notwithstanding that the law is different in the United Kingdom I do not consider that there is any justification or necessity to have a provision corresponding to section 29(1)(b) of the English Act in our Act.

219. In the very nature of things the provisions of section 38 could have no application to the registration of a trade mark in Part B of the Register since in such cases the use by the applicant for registration is a prerequisite for its registration. But the matter might be made clear by a provision on these lines inserted as section 36(4):

“36(4): Nothing in the foregoing sub-sections of this section shall apply to an application for the registration of a trade mark in Part B of the Register”.

SECTION 37

220. Consequential to the introduction of the Part B Register the opening words of sub-section (1) should read:

“37(1).— Subject to the provisions of section 38, a trade mark registered in Part A or Part B of the register may be taken off the register etc.”

221. Further in view of the provisions I have recommended in regard to the forum for appeals and for rectification, the expression “High Court” in sub-sections 1 and 2 should be substituted by “Competent Court” and having regard to the manner in which I have defined “Competent Court” the word “tribunal” wherever it occurs should be replaced by the words “the Registrar or the Competent Court as the case may be”.

SECTION 38

222. One of the main recommendations of the Committee is as regards the extension of defensive registration to marks consisting of other than invented words. I am against the proposal of the Committee and I agree with the conclusion of the Special Officer.

223. The system of defensive registration was introduced into the British Act only in 1938 on the recommendation of the Goschen Committee (vide paragraphs 73 to 77) and that Committee have given excellent reasons why such registration should be limited to invented words.

224. The move to widen the system of defensive registration in the United Kingdom was made principally by Mr. Burrell Q.C. in an address to the Chartered Institute of Patent Agents in January 1953. Mr. Burrell also gave evidence before the Indian Trade Marks Enquiry Committee and pressed for the adoption of this measure. The report of the Committee is in great part based upon this lecture and evidence. It might however be pointed out that though suggestions from time to time have been made by interested parties to have the law in England amended, the effort has not succeeded and the Controller General of Patents and Registrar of Trade Marks in the United Kingdom has considered it not necessary even to constitute a Committee to go into this question. This is the position in the United Kingdom.
225. Mr. K.T. Chandy has forwarded to me a lecture delivered by Mr. K.S. Shavaksha in March 1955 in which he has supported this extension of defensive registration to other than invented words. I have gone through this lecture carefully but I do not find that it substantially adds to the reasons already set out in the report. Mr. Chandy also drew my attention to the fact that the recent amendments to the Australian Act included the one suggested to the defensive registration. It is true that the committee appointed in Australia did recommend the extension of defensive registration to marks other than invented words, though in this regard they differed from the Knowles Committee of 1939, which in paragraph 83 of their report recommended that defensive registration should be introduced into Australia but that it should be confined to marks which consisted of invented words and further suggested several restrictive conditions in respect of such marks.

226. In this respect, however, I am inclined to favour caution and to follow the practice in the United Kingdom. I consider that the Indian Legislature has gone far enough in this direction in enacting section 38 in the form in which it is found.

227. There is no risk of the public being deceived for want of defensive registration, because an action for passing off is always available, it there should be palming off of goods by the deceptive use of the marks. In such cases the proprietor of the mark may always have that relief. It might also be noticed that when a mark which consists of an invented word is appropriated by a defensive registration such appropriation does no harm to the other traders. But the inclusion in the defensive registration of other than invented words would cut into the store of words or marks available for being used by others and would hamper unduly the legitimate interests of other traders, a factor which should be seriously taken into account in the planned economy that is contemplated, where there would be a large number of diverse medium traders as distinguished from a small number of big business-men. In my opinion any extension in the direction suggested by the Committee would unduly hamper the progress of Indian industry and trade.

228. I see considerable wisdom in the British provision which restricts defensive registration to marks on the Part A register. I have already dealt with this matter in detail and there is no need to go into it again. In order to make the provision clear, I would suggest the addition of a sub-section (7) to section 38 in these terms:

“38(7).— Nothing in the foregoing provisions of the section shall enable any defensive registration to be entered in Part B of the register.”

**SECTION 39**

229. Before considering the recommendations of the Committee I would like to make a few observations.

The provisions regarding the licensing of trade marks in favour of registered users was introduced for the first time in the United Kingdom by the Trade Marks Act of 1938. This was on the recommendation of the Goschen Committee which suggested the relaxation of the common law principle that there could be no separation or splitting up between the proprietorship of the mark and the trade origin of the goods bearing such mark. That Committee recognised that though the trends of modern business required a relaxation of this common
law rule, steps should be taken to guard against trafficking in marks. They stated in paragraph 121 of their report;—

“We do not recommend a system of unrestricted licensing, as we are apprehensive that such a system would result in deception and confusion to the purchasing public; and we consider it essential that the right to use another’s trade mark should not be obtainable merely at the will of the registered proprietor but should be subject to control in the public interest. On the other hand, with such a safeguard we do not think that any provisions on the subject need be limited in their application to the case of parent and subsidiary companies, since such provisions will, we think, often be found of value in other circumstances when the application would not result in deceiving purchasers.”

It was in these circumstances that section 23 of the British Act was enacted. This was copied in this country as section 39 of the Trade Marks Act, 1940.

230. I have had an analysis made through the Registrar of Trade Marks as to the extent to which the provision as to registered user has been availed of by traders in India. 2,262 registered users have been registered under our enactment in respect of trade marks. Of these, 2,156 are owned by foreign proprietors and 106 by persons of Indian domicile, including companies registered under the Indian Companies Act. I have also gone through the identity of the registered proprietors as well as the registered users in respect of these several marks. This examination, however, has left on me the impression that a good number of these registered proprietors have registered themselves as proprietors of these marks without using or proposing to use these marks as required by section 14 of the Trade Marks Act, notwithstanding that section 38 of the Indian Trade Marks Act does not contain a provision as that in section 29(1)(b) of the British Act. At the time of the registration of these marks, the applicants must have stated in their applications that they were using or proposing to use these marks but as in these cases there is no opposition, the attention of the Registrar is and can never be directed to a verification as to whether these applicants proposed to use these marks otherwise than by permitting the use by the registered user. No affidavits stating user by the applicant are filed at this stage.

231. In dealing with the suggested amendment to section 36 I have stated that I was against the proposal of the Committee to introduce the provision as in section 29(1)(b) of the U.K. Act. It is therefore all the more necessary that steps should be taken to see that the registration of a person as a proprietor of a mark is not effected without such proprietor actually using or bona fide proposing to use himself — not through a registered user — the mark on his own goods. Even if there is any practical difficulty in the verification of this requirement at the stage of the application for primary registration i.e., the stage when section 14 comes into play, it would be necessary that actual use is insisted on at least at the time when an application is filed for licensing a registered user.

232. I would suggest; use for a period of two years which would be sufficient to show the bona fides of the applicant at the time of the primary registration. This condition may be enacted by adding a proviso to section 39(1) in these terms:—

“Provided that a registered proprietor shall not be entitled to permit use by a registered user as aforesaid, unless such proprietor has used the mark in relation to the goods in the course of trade for a period of at least two years before the date of the application under section 41.
233. Further in view of my suggestion that user for a period of 2 years should be insisted as a condition of the assignability of a mark, it logically follows that the same condition should be laid down for a mark being licensed to a registered user.

234. There would then have to be a consequential change in the statutory particulars required to be furnished under section 41 of the Act A new clause (a) might be put into section 41 reading as—

“(a) Giving particulars of the use by the registered proprietor of the mark on the goods which is the subject matter of the application, furnish particulars of the period of use, the quantity and value of the goods manufactured and sold during that period by the registered proprietor and such other particulars as may be required.”

and the other clauses re-numbered.

235. There is one other point to be considered in connection with this provision. Under the law as it stands, the Registrar is the sole judge to decide whether the control imposed and the conditions and restrictions in the agreement are sufficient to ensure quality control as also whether it is in the public interest that the registered user missions constitute a trafficking in the mark[vide 41(2) and 41(3)]

236. I consider that in our country, the Central Government should take the responsibility At this matter, They would be in a position to authoritatively say how far public interest is either fostered or hurt by such permitted user. I would, therefore, recommend that the procedure after the receipt of the application under section 41 should approximate to the procedure for the registration of certification trade marks under Chapter VIII and that the Registrar should be empowered to register only after authorisation by the Central Government. At that stage it will be for the Central Government to consider whether any registered proprietor is trafficking in a mark by permitting too large a number of registered users. In this last observation, I have in mind the cases where, registered proprietors authorise several manufactures and traders to use their marks in consideration of a payment to them of substantial sums by way of royalties etc. It will be for Government at that stage to consider whether this does not really amount to trafficking in that mark.

237. I might also point out that under the Industries (Development and Regulation) Act 1951, the Foreign Exchange Regulation Act, 1947, in the matter of exercise of control over capital issues and under Import Control Regulations Government are exercising powers to secure a planned economy in which there is no exploitation of India industries and of the Indian consumer by foreign interest and they take steps to safeguard against oppressive agreements. The suggestion I have made above regarding the control that the Central Government should exercise in the matter of according their approval to licences by way of registered user would fit into that pattern and would in fact be complementary to the other pieces of legislation and executive action I have set out.

238. Subject to these observations of mine. I see no objection in the recommendation of the Committee in paragraph 53 regarding the amendments to section 39(1). These merely embody in statutory form the existing practice and might be usefully incorporated into the section itself. As regards their proposed sub-section (2) however, I am not in favour of the suggested amendment since “get-up” is not part of the trade mark as defined in the Act and to introduce
239. In this connection I should like to draw the attention of Government to the abuse of monopoly rights in general and the necessity for taking adequate steps to safeguard the interests of the public. A careful scrutiny of the agreements between the registered proprietor and the proposed registered user should be made with the object of preventing abuse of monopoly rights. Government may consider the desirability of a statutory enactment on the lines of the “Monopolies and Restrictive Practices (Inquiry and Control) Act, 1948”.

240. I do not see any objection in extending the licensing provision by way of permitted use to proprietors of trade marks registered in Part B. To carry out this, the opening words of section 39(1) would have to read:

“Section 39(1).— A person other than the proprietor of a trade mark registered in Part A or Part B of the register may be registered as a registered user thereof.”

241. Before passing from section 39 I may point out that in the print in the recent edition of the Act, there appears to be a misprint — in that the word “use” — is printed as “used” — in two places. This may be corrected. The sub-section should read:

“Section 39(2).— The permitted use of a trade mark shall be deemed to be used by the proprietor thereof and shall be deemed not to be used by a person other than the proprietor for the purpose of section 37 or for any other purpose for which such use is material under this Act or any other law”.

242. I have made specific reference to section 37 of the Act copying in this respect the provisions of section 28(2) of the U.K., Act, to avoid any argument by reason of such omission.

SECTION 41

243. I have already indicated the changes that would be necessary in this section if section 39 were amended in accordance with my recommendation.

244. Sub-section (4).— The expression “rivals in trade” which occurs at the end of this sub-section, notwithstanding its having come down from the British Act, is rather ambiguous. For instance, a question might arise as to whether, when there is more than one registered user licensed by the same proprietor the different registered users might or might not be rivals in trade. Section 41(5) winch requires the issue of a notice to other registered users of the mark, appears to treat the several registered users as having a common interest. There is no particular valid reason why the conditions on which registered user rights are granted to one trader should not be known to another, though there might be justification for the registered proprietor desiring to keep the agreement from the knowledge of other traders. The matter might be made clear by adding at the end of the sub-section the words “other than registered users of the same mark”.

245. There is one other matter to be considered and that is whether the provision as in section 74(7) of the Australian Act may not be inserted by which the High Court might order the disclosure of such information. I should consider this useful and if adopted the subsection would run:
“Section 41(4): — The Registrar shall, if so required by an applicant, take steps to ensure that any document, information or evidence furnished for the purpose of that application (other than matter entered in the register) is not disclosed to rivals in trade other than registered users of the same mark except by order of a competent court on application made for the purpose.”

SECTION 42

246. Section 41 proceeds upon the footing that the conditions stipulated for quality control, etc., between the registered proprietors and the registered user are being insisted upon and enforced out when we come to section 42, which deals with the power to vary or cancel registration, the failure to insist upon the conditions is not set out as one of the grounds for cancelling the registration. To ensure this continued supervision, it is necessary to clothe the Registrar with powers to cancel the registration as registered user in cases where it is proved to his satisfaction that the conditions are not complied with. This would be achieved by the addition of a clause in these terms:—

“Section 42(cc): — may be cancelled by the Registrar on application in writing in the prescribed manner by any person or on his own motion after giving notice in the prescribed manner to the registered proprietor and the registered users and after giving them an opportunity of being heard, if he is satisfied that the terms of any agreement by which control is vested in the registered proprietor to ensure the quality of goods in relation to which the mark would be used by the registered user are not enforced or complied with.”

247. Though section 41 in terms does not require any written agreement being entered into between the registered proprietor and the registered user, providing for control to be exercised by the former in the matter of quality, it appears to be the practice in England (Kerly, page 371) for the Registrar to require that the relationship between the proprietor and the user, and the control to be exercised by the proprietor over the permitted use should be defined by a written agreement between the parties and it is also insisted that the permitted use shall be brought to an end when the relationship between the proprietor and the registered user ends or effective control by the former ceases. Now that the Committee have suggested putting into section 39 the practice that has prevailed in the Registry as to the circumstances in which the registered user shall be permitted, a recommendation I have endorsed, it will be proper to include this condition also as amount those to the insisted on before the registration could be effected.

243. This would be achieved if another proviso were added to sub-section (1) reading as:—

“Provided that in the cases mentioned in (i), (ii) and (iii) of sub-section (c) the agreement between the Registered Proprietor and the Registered user shall be reduced to writing and the original or an authenticated copy thereof filed before the Registrar along with the application for registration as registered user.”

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SECTION 45

249. This is a reproduction of section 28(12) of the British Act with a slight variation in language.

The section however leaves it vague as to what constitutes in Law an assignment of the right to use. The prohibition would of course cover cases of direct assignment but, apart from this, two types of transactions generally arise and it is but proper that the law should make provision for determining the rights of parties in such cases. (1) Where the registered user rights are conferred on an individual and such individual takes another into partnership in the business that uses the mark, the question would arise whether this admission of another into the partnership with the registered user, constitutes an assignment so as to entitle the registered proprietor of the mark to claim that the licence he granted was terminated. (2) There might be cases where the registered user rights are granted to a firm and subsequently there are changes in the constitution of the firm either by way of addition of new partners or by some of the original partners going out with or without replacement or by a dissolution. As cases of both these types are likely to arise in practice it is better that there is some rule to avoid litigation. The most equitable solution will be to provide that where one or more of the persons originally entering into the contract with the registered proprietor continue to exercise control by remaining in the first of registered users there would not be deemed to be an assignment and the continuity of the person to whom the registered user rights were originally granted should be deemed to be continued.

250. While the expression “transmission” is defined in section 2(m) of the Act there is no definition of the expression “assignment” which is used in this section as also in the definition in section 2(m). It is preferable to have a definition of “assignment” also as in section 68(1) of the British Act which runs:—

“Assignment means assignment by the act of the parties concerned.”

I have inserted this definition in section 2(1)

SECTION 44

251. In view of the suggested definition of the expression “tribunal”, the word “tribunal” in section 44(1) should be substituted by the words “the Registrar or the Component court as the case may be.”

SECTION 45

252. All the provisions of this chapter except section 38 which deals with defensive registration and section 36 which deals with proposed use of the trade mark by a company to be formed are as much applicable to marks registered in Part A, as in Part B of the register. It is therefore necessary to make an omnibus provision at the end of Chapter VI numbered as Section 45-A reading as follows:—

“45-A:—Except as specifically provided, all reference in this chapter to “a registered trade mark or the proprietor thereof” shall include trade marks registered in Part A as well as Part B of the register or the proprietor thereof”
253. **Section 45(2).—**This provision is in effect a reproduction of section 62 of the British Act with slight verbal variations. Moreover, the last but one line omits the indefinite article ‘a’ before the word ‘different’ which makes the last portion rather difficult to understand. I would prefer the section to be exactly like its British counterpart just as it is in Australia (*vide* section 118 of the Australian Act.)

This sub-section would then be:—

“45(2):—The use of a registered mark in relation to goods between which and the person using it any form of connection in the course of trade subsists shall not be deemed to be likely to cause deception or confusion on the ground only that the trade mark has been or is, used in relation to goods between which and that person or a predecessor in title of his a different form of connection in the course of trade subsisted or subsists.”

**SECTION 46 TO 49 (CHAPTER VII)**

254. **Section 46:**—This section is substantially a reproduction of sections 32 and 33 of the British Act. In view of the introduction of the Part B register, a provision as in section 32(5) of that Act permitting the transfer of a mark from the A to the B register may be included and the language of sub-section (4) suitably altered to include this.

255. Having regard to the forum for rectification and appeals and its suggested designation, the expression “High Court wherever it occurs should be altered to “the Competent Court” and the expression “Tribunal” substituted by the words “Competent Court of the Registrar”.

256. The provisions of this chapter are somewhat defective in regard to the requirement as to notice to the necessary parties. For instance of section 46(4) it is enacted that notice is to be served on the parties concerned leaving it somewhat vague as to who these are. The nature of the interest which must inhere in an intervenor under Rule 84 of the U.K. Rules (corresponding to Rule 67 of our Rules) came up for consideration in the *Lanette case* (65 RPC 455) and the order of the Assistant Comptroller General and of Wynn-Parry, J. show the element of doubt and uncertainty which surrounds the question.

257. Further there is no provision in section 47(2) for notice being given to the Registered proprietor when application is made by a Registered user.

258. These would be remedied if sections 46 and 47 were redrafted in the manner set down below and a new section 49A added as drafted by me.

“46. **Power to cancel or vary registration and to rectify the register:**—(1) On application in the prescribed manner by any person aggrieved to a Competent Court or to the Registrar, the Competent Court or the Registrar may make such order as it or he may think fit for cancelling or varying the registration of a trade mark on the ground of any contravention or failure to observe a condition entered on the register in relation thereto.

“(2) Any person aggrieved by the absence or omission from the register of any entry, or by any entry made in the register without sufficient cause, or by any entry wrongly remaining on the register, or by any error or defect in any entry in the register, may apply in the prescribed manner to a Competent Court or to the Registrar and the
Competent Court or the Registrar may make such order for making, expunging or varying the entry as it or he may think fit.

“(3) The Registrar or a Competent Court may in any proceeding under this section, decide any question that may be necessary or expedient to decide in connection with the rectification of the register.

“(4) The Registrar or a Competent Court may of his or its own motion, after giving notice in the prescribed manner to the parties concerned and after giving them an opportunity of being heard, make any order referred to in sub-section (1) or sub-section (2).

“(5) Any order of the Court rectifying the register shall direct that notice of the rectification, shall be served upon the Registrar in the prescribed manner who shall upon receipt of such notice rectify the register accordingly.

“(6) The power to rectify the register conferred by this section shall include power to remove a registration in Part A or the register to Part B”.

“47(2): The Registrar may on application made in the prescribed manner by a registered user of a trade mark and after notice to the registered proprietor and after giving him an opportunity of being heard, correct any error, or enter any change, in the name, address or description of the registered user.”

“49A. In all proceedings under this chapter where the mark has been permitted to be used by a registered user, the registered user shall, in cases where he is not the applicant, be impleaded as a party to the proceeding and be shall be afforded an opportunity of being heard.”

259. The provisions of Chapter VII should be as much applicable to trade marks in Part A register as those in Part B register. It is therefore necessary to have a provision in the following form and numbered as section 49-B to make this clear.

“49B: Reference to the register, entry in the register and the registered proprietor or a trade mark in this chapter shall include registration in Part A or Part B of the register and the registered proprietor of a Trade Mark in Part A or Part B of the register.”

SECTION 50

260. The Indian Trade Marks Act, 1940 treated certification trade marks as not trade marks proper but as separate species of marks differing in this respect from the provision in the United Kingdom under the Trade Marks Act, 1938. The Committee have recommended and I have already endorsed their suggestion that a change might be effected in this regard. I have recommended the alteration in the definition of a “trade mark” in section 2(1)(1) to achieve this object. Regarding the consequential amendments to be effected to section 50 the Committee have recommended in paragraph 32 a slight alteration in the language of section 50. I am however, non satisfied that this would meet the ends of the situation. Section 50 was framed on the footing that a certification mark is not a trade mark. Even with the adoption of the amendment suggested by the Committee this section would not fit in with the concept of a certification trade mark being a trade mark. In this connection I would prefer the corresponding provision in the U.K. Act—paragraph 6 of the First schedule.
261. In addition to this, it would be noticed from a comparison of the provisions excluded by section 50 as compared with those in paragraph 6 of the First schedule of the U.K. Act that sections 14 and 15 of our Act (corresponding to section 17 and 18 of the U.K. Act) are excluded. It would be necessary, to exclude these also for the reason, that section 53 makes a special provision for applications for registration of certification trade marks which form the subject matter of section 14 while section 55 makes similar provision in regard to opposition for registration of certification trade marks which in the case of other trade marks is dealt with by section 15. Unless sections 14 and 15 are also included among the sections excluded, difficulties of construction would arise as to whether an application for a certification trade mark has to be dealt with solely under sections 53 and 55 or under these provisions read along with sections 14 and 15. If the exact form as set out in paragraph 6 of the first schedule of the U.K. Act were adopted, the entire difficulty would disappear and I would this could, be usefully adopted. Section 50 would then run.

262. In the United Kingdom certification marks are registrable only in Part A of the register and they cannot be registered in Part B. Paragraph 6 of the First schedule makes provision for this and this could be usefully adopted. Section 50 would then run:

“50: The following provisions of this Act shall not have effect in relation to a certification trade mark that is to say, sections 6, 14, 15, 21, 22, 31 to 33, 36 to 43 and sub-section (2) of section 45 and any provisions the operation of which is limited by the terms thereof to registration in Part B of the register”.

SECTION 51

263. Section 51 is in the main a reproduction of the proviso to section 37(1) of the U.K. Trade Marks Act, 1938. It will be noticed that there is no positive provision for the registration of a certification trade mark in the Indian enactment as is contained in the main part of the U.K. sub-section. This is a lacuna and has to be remedied. Possibly the framers of the enactment proceeded oh the footing that the insertion of a definition of a certification trade mark in section 2(1)(b) was sufficient to answer the purpose for which section 37(1) has been enacted in the United Kingdom. I however venture to differ in this respect since the definition speaks of the mark “being registrable” but there is no provision positively enabling such mark to be registered. It is therefore necessary to have a positive provision as in the U.K. enactment inserted in section 51. I have only to add that the other provisions of this Chapter reproduce the other sub-section of section 37 of the U.K. Act. It would be a matter for consideration whether if this course were adopted the definition of certification trade mark in section 2(1) (b) might not be omitted.

If this suggestion were adopted section 51 would run thus:

“51: A mark adapted in relation to any goods to distinguish in the course of trade goods certified by any person in respect of origin, material, mode of manufacture, quality, accuracy or other characteristics from goods not so certified shall be registrable as a certification trade mark in Part A of the register in respect of those goods in the name of that person as proprietor thereof:

Provided that a mark shall not be so registrable in the name of a person who carries on a trade in goods of the kind so certified.”

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SECTION 57

264. This section requires a few amendments. The first is the omission of the word “certification” where if occurs in the fourth line. This is consequential to the amendment of section 2(1)(1) and the scheme underlying it whereby certification marks are treated on the same footing as trade marks proper. A comparison between section 57 as it stands and the corresponding provision in the British Act [section 37(3)] will make this point clear.

265. The next matter is in relation to sub-clauses (a) and (b). This is really consequential to my recommendation to delete sub-clause (b) of section 21 and I have redrafted this on the same lines as that section.

266. It would also be noticed that for the reasons stated in my notes to section 21 I have suggested the introduction of the words “if valid” in that section. On the same grounds I suggest their insertion here also and bring it into line with the British as well as the recent Australian Acts.

267. There is one further matter to which I desire to advert. The language of the section is apt to lead to the construction that a certification mark would be infringed only by the use by a person of a mark as a certification mark. I have in mind the words “that right shall be deemed to be infringed by any person…or a person authorised by him in that behalf… uses a mark”. Though the expression “mark” is general and is comprehensive to include both certification as well as ordinary trade marks, in the context in which it occurs and read in the light of the reference to the ‘deposited regulations’ etc. it might conceivably be held to refer exclusively to certification marks. This is certainly not the intention and to avoid this possible construction, I have introduced the words “certification or other trade mark” in the section.

268. If these amendments are carried out the section would read:

“57: Right conferred by registration: Subject to the provisions of sections 25, 26 and 58 the registration of a person-as proprietor of a certification trade mark in respect of any goods shall, if valid, give to that person the exclusive right to the use of the trade mark in relation to those goods, and, without prejudice to the generality of the foregoing words, that right shall be deemed to be infringed by any person who, not being the proprietor of the mark or a person authorised by him in that behalf under the regulations deposited under section 56. using it in accordance therewith, uses a certification or other trade mark identical with it or so nearly resembling it as to be likely to deceive or cause confusion, in the course of trade, in relation to any goods in respect of which it is registered.”

SECTION 58

269. If the definition of a trade mark is expanded so as to include certification marks, section 58(3) should be brought into line with section 37(6) of the British Act which it repeats with small variations. Section 58(3) would then read:

“58(3): Where a certification trade mark is one of two or more trade marks registered under this Act which are identical or nearly resemble each other, the use of any of those trade marks in exercise of the right to the use of that trade mark given by registration
shall not be deemed to be an infringement of the right so given to the use of any other of those trade marks”

In this connection, it may be pointed out that this provision resembles section 22(3) which enacts a similar provision in relation to ordinary trade marks.

SECTION 59

270. 59(1):— The expression “neither a High Court nor the Registrar” should be altered into “neither the Competent Court nor the Registrar”.

SECTION 65

271. The Committee’s recommendation in para 60 for the replacement of the words “shall be entered” by “may be entered as prescribed” may be accepted. The Rules should prescribe giving an option to the applicant to have his mark entered in the Refused Textile Marks Register. The Registrar should also require the applicant to pay the prescribed fee for having the entry made and kept renewed from time to time.

SECTION 66

272. 66(2):— In substance this sub-section is practically a reproduction of section 39(10) of the British Act with this important difference, that the British Act leaves a discretion to the Registrar to consult the Committee in cases where he is satisfied consultation is necessary, but the Indian section appears to render this consultation obligatory. The variation, however, is both illogical as well as inconvenient. The Registrar has necessarily to determine whether the circumstances raised by the application are so peculiar to the trade as to justify consultation. If the provision as to consultation were interpreted as compulsory in every case it would lead to grave administrative inconvenience as the Committee has such a large number of members as 30 and it will entail much expense. It should not be open to an applicant merely to allege that there is something peculiar in his application in order to oblige the Registrar to consult the committee and I would therefor recommend that section 66(2) be amended on the lines of section 39(10) of the British Act. It would then read:

“66(2): The Registrar may consult any such Committee where it appears to him expedient so to do with respect to any circumstances peculiar to the textile trade arising on an application to register a trade mark in respect of textile goods.”

273. The present rules 116 to 127 relating to the Textile Advisory Committee do not provide for the applicant being informed of the advice tendered by the Advisory Committee and which advice is going to be considered by the Registrar before passing orders on the application. In the Sheen case [J.P. Coats Ltd.’s Application (53 R.P.C. 355)], the Court of Appeal laid down, that before the Registrar accepted or refused to accept the opinion of the Advisory Committee, the applicant should be given an opportunity of dealing with that advice. This appears to be reasonable and just. It is not necessary that any provision should be made in the Act itself. But the rules should provide for a copy of the advice tendered by the Committee being supplied to the applicant with an opportunity being afforded to him to make any
representation as regards is application in the light of that advice before the Registrar passes final orders.

SECTION 69

274. The proviso to the section has been practically rendered otiose by section 3 of the Emblems and Names (Prevention of Improper Use) Act, 1953. In regard to the other portions of the section, the Emblems Act is a comprehensive legislation and deals with the present context of affairs in Indian whereas section 69 deals with conditions which obtained in pre-Independence days. The terms of sub-clauses (a) and (b) of section 69 refer in part to matter which is now only of historical interest. The matter may therefore be left to be governed solely by the Emblems Act. I agree with the suggestion of the Committee in paragraph 64 of their Report that section 69 might be repealed in toto.

PROPOSED SECTION 70A

275. I agree with the Committee in recommending the adoption of a provision for preliminary advice by the Registrar to applicants for registration. I agree also that the Rules should be amended to provide a separate form for seeking this preliminary advice and also that a small fee may be made payable for this advice. The draft set out by the Committee in paragraph 68 appears to be in order. The marginal note to the new provision may be “Preliminary advice by the Register”.

SECTION 72

276. Though the section proceeds as if there are several instances, Where a party has an option to make an application either to the Court or to the Registrar an examination of the other provisions of the Act makes it clear that this option is confined to rectification of the register either under sections 37, 38(4) or under section 46. The language of the section has therefore to be adapted to confine it to cases for applications for rectification.

277. I have already stated that in cases where in a suit for infringement or other relief in relation to a registered trade mark a defence is raised challenging or attacking the validity of the registration and an issue is framed in relation thereto, the Court should allow some reasonable time, say three months, to move an application for the rectification of the register. In such cases, as there is a possibility of further litigation, it is desirable that the application should be made only to the High Court and not to the Registrar. Section 72 should make it clear that it is only in such cases that there is an obligation to apply for the relief of rectification either under section 37, section 38(4) or under section 46 to the Competent Court thus cutting off the option of applying to the Registrar for the same relief. If these were carried out section 72 would read as under:

“72. Procedure in application for rectification of the register.—(1) If in an action for infringement of a registered trade mark the defendant attacks the validity of the registration of the mark and an issue is at his instance raised regarding the said validity, any application by such defendant for rectification of the register shall notwithstanding
anything in sections 37, 38(4) or 46 be made only before the Competent Court and not before the Registrar.

(2) In any other case where the application for rectification is made to the Registrar, the Registrar may, if he thinks fit, refer the application at any stage of the proceeding to the Competent Court.”

SECTION 72-A

278. Section 72A.— In the introductory portion of this report, I have formulated a scheme for the determination of the forum—other than the Registrar—for the adjudication of applications for rectifications. The Competent court having been determined as a result of the notifications by the Central Government prescribing the areas which should be included in each zone in which the several offices of the Registry are situated and in accordance with the definition of Competent Court in section 2 section 72A is designed to determine the jurisdiction and powers of the court dealing with such applications. As I have indicated earlier, these would in the first instance be normally heard by a single judge of the High Court from whose decision an appeal may be taken to a Bench. The other provisions like sub-section (2) are incidental and designed to provide for exceptional cases.

“72-A (1) Every application for the rectification of the Register which under sections 37, 38(4) or 46 might or which under the provisions of section 72 should be made to the Competent court shall be made by application in writing in such form and containing such particulars, after impleading such parties as may be prescribed by the Competent court.

(2) The application shall be heard by a single judge of the Competent court, provided that such judge may if he thinks fit direct the application to be posted before a Bench of two or more judges of the court.

(3) The application shall be heard in accordance with such procedure as may be prescribed in that behalf by the Competent court and upon the hearing of the application the judge or judges shall have all the powers of a Civil Court under the Code of Civil Procedure, 1908.

(4) From every decision of the single judge under the foregoing sub-section, an appeal shall lie to the Bench of such Court under the Letters Patent or similar law of the court.

(5) Every application or appeal heard by a Bench of 2 or more judges under the foregoing provisions shall be governed by the provision of section 98 of the Code of Civil Procedure, 1908.

(6) A certified copy of the decision of the court shall be communicated to the Registrar, who shall give effect to the order of the court and shall, when so directed amend the entries in the Register in accordance with it.”

SECTION 72-B

279. I have discussed in full in my introductory remarks, the need for the determination of the rights under section 10(3) being vested in the same court that will be the appellate forum
for appeals against the Registrar’s order directing the parties to have their rights adjudicated by a court. In the definition which I have framed of “a Competent court”. I have endeavoured to designate the court which would be “competent” for the purpose of entertaining the matters under section 10(3). This section 72B is framed with a view to determine the procedure to be observed by such Competent court in deciding the matters referred to in the concluding portion of section 10(3).

280. Having regard to the nature of the proceedings, I have suggested that they should be initiated by original petition—analogous to a suit—and not by application as in the case of proceedings for rectification. The provisions as to the judge to hear and the appeals from his decision follow the pattern set by section 27A.

72.B (1) Where on the directions of the Registrar under section 10(3) any applicant desires to institute proceedings for the determination of rights of rival applicants for the same and similar mark in respect of the same goods or description of goods, the same shall be commenced in the Competent court as defined in this Act and in no other.

(2) The proceedings shall be initiated by original petition in writing, in such form, containing such particulars and impleading such parties as may be prescribed by rules framed by the Competent court.

(3) The petition shall be heard by a single judge of the Competent court, provided that such judge may, if he thinks fit, direct the petition to be posted before a Bench of two or more judges of the court.

(4) The petition shall be heard in accordance with such procedure as may be prescribed in that behalf of the Competent court and upon the hearing of the petition the judge or judges shall have all the powers of a Civil Court under the Code of Civil Procedure, 1908.

(5) From every decision of a single judge under the foregoing, sub-section, an appeal shall lie to the Bench of such Court under the Letters Patent or similar law of the Court.

(6) Every petition or appeal heard by a Bench of two or more judges under the foregoing provisions shall be governed by the provision of section 98 of the Code of Civil Procedure, 1908.”

SECTION 73

281. The Indian Trade Marks Act 1940, following in this respect the British precedent, has left the remedies available to a registered proprietor of a trade mark on an infringement of his mark to judicial decisions without making any provision therefore in the statute itself. On the other hand, when the matter was recently considered by the Dean Committee in Australia, they suggested the putting down in the statute the reliefs claimable by an injured proprietor. In consider this really useful and would recommend its adoption here. I am also of the opinion that the reliefs provided in Australia for infringement of marks on the A Register, the B Register and Certification marks are both proper and just. As the provisions as regards marks on the B Register have been made in section 21A they are not repeated here. I am numbering this provision as section 73—as logically preceding the matter in the present section 73, which
282. There are two ambiguities in the construction of section 73 which require elimination. The first is whether the expression “trade marks” is confined to registered trade marks or whether it extends also to unregistered marks. The former was the construction favoured by two decisions on the section (AIR 1948 Cal. 321 and AIR 1951 Simla 176). The matter should however be made clear beyond dispute. In my opinion the section should be confined in its operation to registered trade marks and the statute need not prescribe the procedure or determine the forum for vindicating rights in respect of marks which are not registered.

283. The second ambiguity arises out of the nature of the relief which might be sought by the plaintiff in respect of a registered trade mark. The owner of a registered trade mark has a statutory action for infringement of his proprietary rights in that mark but he might also bring an action merely for passing off. In fact in a large majority of cases the two actions are combined. The question is whether in case the proprietor of a registered trade mark institutes an action merely for passing off, the provisions of section 73 are attracted to such a case. There are a few passages in the judgement of Mukherjee, J. in A.I.R. 1948 Calcutta 321 which appear to suggest that the restriction imposed by section 73 is inapplicable to “passing off actions”. But as, however, the mark in respect of which the action was there brought was not registered, the observations are really obiter. A similar view has been taken by the Allahabad High Court (A.I.R. 1955 Allahabad 404). In my opinion, the proper thing is to provide by this section a forum for every action in regard to a registered trade mark.

284. The above explains the changes made in the original section 73 and redrafted as section 73-A(1). The other sub-sections are designed to carry out the scheme I have formulated for determining the validity of the registration in cases where this defence is raised. I have explained in the course of my introductory remarks the reasons why the action should be stayed pending the determination of questions relating to the validity of the registration. As there is a possibility of the court trying the infringement action not being subject to the Competent court vested with jurisdiction to deal with the rectification of the Register, I have provided for a statutory stay instead of by an order by a superior court. But to guard against any injury being caused to the plaintiffs in such action by such a statutory stay, I have vested the court trying the suit with sufficient powers to pass orders of an interlocutory nature as would adequately protect the rights of the parties pending the final decision of the suit.

“73-A(1) No suit—
(a) for the infringement of a registered trade mark, or (b) for passing off arising out of a registered trade mark, or (c) otherwise relating to any right in a registered trade mark, shall be instituted in any court inferior to a District Court having jurisdiction to try the suit.

“(2) If in any such suit the defendant pleads that the registration of the said trade mark is invalid, the court shall if satisfied that such defence is bonafide and is prima facie tenable raise an issue regarding the same and grant the defendant an adjournment of three months from the date of the framing of the issue to enable the defendant to file an application before the Competent court for obtaining the rectification of the register.”

“(3) If the defendant proves to the Court that he has made such application within the time so limited, the trial of the suit shall stand stayed till the final disposal of such application for rectification and of the appeals, if any, therefrom,

Provided always that the Court in which the suit is pending shall notwithstanding the adjournment or stay referred to in sub-sections 2 and 3 above have full power and authority to grant any interlocutory relief such as in-junction undertaking accounts, receiver, attachment, pending the disposal of the rectification proceedings.”

“(4) The result of the rectification proceedings shall be binding on the parties thereto and the Court shall give effect to such result in the disposal of the suit pending before it.”

“(5) Where before the institution of the suit an application for rectification concerning the trade mark in question has already been made and is pending the Court shall stay the trial of the suit pending the disposal of the rectification proceedings and the provisions of the proviso to sub-section 3 shall be applicable to determine the powers of the court pending such stay.”

SECTION 74

285. There are three classes of proceedings which have to be considered in this connection.

The first type relates to appeals against orders in rectification proceedings. Under the section as it stands, the Registrar as made a party and he has a right to be heard and be represented in the proceedings. In regard to this, one thing may be made clear that the Registrar cannot file an appeal against the decision of a Court, notwithstanding that he might be a nominal party having a right to appear and be heard. Upto this point, the Committee do not desire any change.

286. The second type of proceedings to be considered are appeals from the Registrar’s orders in regard to applications for registration. The orders might be of two forms: (1) when he accepts or refuses the application for registration after opposition proceedings and (2) in unopposed cases where he rejects the application absolutely or permits registration subject to conditions and limitations to be entered in the Register.

287. In cases where he directs registration rejecting an opposition thereto or where he allows the opposition the matter will be brought up before the Court by one of the parties on appeal and sought to be supported by the other party. As questions of public interest are
not involved, there is ordinarily no necessity for the Registrar appearing and being heard in these appeals, unless issues relating to the practice of the Registry or of jurisdiction are raised.

288. In unopposed cases where the Registrar passes an order refusing the registration of an application as applied for and an appeal against his order is taken to the Court by the applicant, it is necessary to make a provision for the Registrar’s appearance to defend his order and point out to the Court in appropriate cases that the application was properly rejected. As was said by Lord Bowen (10 R.P.C. 217), “The purity of the Register of Trade Marks is of much importance to trade in general”. The Registrar must have regard to the interests of the public and must see that there is no “impairment of the rights of innocent traders to do that which, apart from the grant of the trade mark, would be their natural mode of conducting their business” (Lord Shaw, in the “W & G” case, 30 R.P.C. 660 at p. 669).

289. It might be that in a few cases, the application was rejected or restrictive conditions were imposed by the Registrar by reason of the opposition of some rival trader and that the opponent is therefore made a respondent in the appeals against the Registrar’s orders. Nevertheless the Registrar might feel that the circumstances of the case are such that it would not be proper to leave the conduct of the defence in such an appeal entirely to a private litigant, for instance, where by reason of a compromise between the parties, registration might be agreed to which might injure the interests of the general public and of other traders not represented before the Court. As was said by Farwell, L.J., in the “Perfection” case (26 R.P.C. at p. 861), “The question is not merely one between the applicants and opponents who appear before the tribunal; no agreement between them ought to influence such a tribunal”. In such cases, therefore, it might be necessary for the Registrar to appear and be heard. The matter may be left to his discretion.

290. The third type of proceedings which might arise are actions for infringement. The result of these proceedings is of no interest to the Registrar who is not a party to the proceedings. The Validity of the registration, if attacked in the action, could be considered only in an application for rectification; and in such rectification proceedings before the Court the Registrar is only a nominal party and need not appear.

The section should be re-drafted in accordance with if above proposes.

SECTION 75

291. In the Trade Marks Act as it is at present a right of inspection is statutorily given only in regard to the Register of Trade Marks section 4(3), the deposited regulations (section 56) and the Refused Textile Marks List. No other documents in the office of the Registrar are specifically stated to be open to inspection though there is an express prohibition against the inspection or disclosure of agreements relating to registered user [section 41(4)]. This is unsatisfactory and in my view a large number of other documents in the Registrar’s office should also be open to inspection.

292. Section 72(2).—It has further been pointed out that owing to the inadequacy of the provision for copies in section 75 a large number of subpoenas are received by the Registrar requiring him to produce the documents in his office or to give oral evidence in relation to entries therein or in relation to proceedings which have taken place before him. This naturally leads to a waste of the Registrar’s time as also to grave administrative inconvenience. The
solution for the difficulty is by enacting a provision corresponding to Section 5 of the Bankers Books Evidence Act, under which a banker cannot be called as a witness merely to prove entries when a certified copy would suffice. It this suggestion is adopted the Registrar would be relieved from having to appear in Court in a large majority of cases.

293. In regard to the documents I am of opinion that no secrecy attaches to the applications, affidavits which are really parts of the applications, opposition statements and counter statements and affidavits filed by parties in the proceedings. With regard to these documents of Registrar may be authorised to grant copies to persons who are or were parties to such proceedings. Indeed, if the matter were taken up on appeal by the parties to the Court, it would be necessary for them to have these documents in order to put forward their case properly before the Court.

294. In this connection, I may point out the provision in section 28 of the Canadian Act which in my opinion would with some variations meet the needs of our situation. Modified in the light of our conditions, the section would run:

“75(1): Subject to the provisions of section 41(4), the register all documents upon which the entries therein are based including deposited regulations under section 56, all applications, including these abandoned, counter-statements, notices of opposition, affidavit in support of the applications or of opposition if in the records of the Registry, the Refused Textile Marks List maintained under section 65 and the indexes shall be open to public inspection during business hours and the Registrar shall, upon request and payment of the fee prescribed therefor, furnish a copy certified by him of any entry in the register or indexes or of any such document or application.

(2) The evidence of any document in the official custody of the Registrar or of any extract therefrom may be given by the production of a copy thereof purporting to be certified to be true by the Registrar.

(3) A copy of any entry in the register purporting to be certified to be correct by the Registrar shall be admissible in evidence without the production of the original.

(4) The Registrar or any officer of the Trade Marks Office shall not in any legal proceedings to which he or they is or are not a party or parties, be compellable to produce the register or any other document in his official custody the contents of which can be proved by the production of a certified copy issued under this Act or to appear as a witness to prove the matters therein unless by order of the Court made for special cause.”

SECTION 76

295. There is no need to explain how the competent Court is to be determined for entertaining appeals under section 76 as I have exhaustively dealt with this in my introductory remarks.

296. The only change I have incorporated in sub-section (1) is to replace the vague phrase High Court having jurisdiction.” by “competent Court” about whose identity there cannot be any doubt.
297. The provisions contained in the other sub-sections except sub-section (4) do not need much elucidation as they are on the same lines as the provision regarding the Judge or Judges hearing applications for rectification etc.

298. The draft sub-section (4), has been taken from section 114 of the recent Australian Act which I considered might be usefully incorporated. As in most cases the proceedings before the Registrar are conducted on the basis of evidence furnished by affidavits, it is necessary to clothe the Court with powers to receive additional evidence in the shape both of further affidavits as well as oral evidence. It is proper that though the discretion to admit fresh evidence would be judicially exercised and would not be permitted as a matter of course, the powers of the Court should not be fettered on the lines of order 41 Rule 27 of the Code of Civil Procedure, 1908. It is with a view to afford the amply powers to the Court hearing the appeal and in some cases it might be to the public interest that full evidence should be adduced — that I recommend a provision in the form which I have drafted. To bring section 76 in line with my previous recommendation, sub-section (1) should be amended to read:

"76(1):— Save as otherwise expressly provided in this Act, an appeal shall lie within the period prescribed by the central Government from any decision of the Registrar under this Act or the rules made thereunder, to the Competent Court.

(2) Appeals shall be preferred by petition in writing in such form and containing such particulars and impleading such parties as may be prescribed by rules framed in that behalf by the Competent Court.

(3) The appeal shall be heard by a single Judge of the Competent Court provided that such Judge may if he thinks fit direct the appeal to be posted before a Bench of two or more Judges for decision.

(4) Upon the hearing of an appeal the Court may:

(a) admit further evidence, either oral or by way of affidavit or otherwise;

(b) permit the examination and cross-examination of witnesses, including witnesses who gave evidence either orally or on affidavit or otherwise at the hearing before the Registrar.

(c) order an issue of fact to be tried in such manner as it directs.

(d) affirm, reverse or modify the decisions, determination or direction appealed from:

(e) give such judgment or make such order, as in all the circumstances it thinks fit, including orders imposing conditions, limitations or disclaimers in relation to the mark;

(f) make such order as to costs as it thinks fit.

(5) From every decision of the single Judge under sub-section (3) an appeal shall lie to a Bench of such Court under the Letters Patent or similar law of the Court.

(6) Every appeal heard by a Bench of two or more Judges under the foregoing provision shall be governed by the provisions of section 93 of the Code of ‘Civil Procedure, 1908.’"
299. The proviso to the existing section 76 has been framed to restrict the right of appeal from the Registrar’s orders to particular High Courts in the cases specified there. But having regard to the scheme which I have formulated such a provision is not necessary and the proviso may be deleted.

SECTION 79

300. This section is practically a reproduction of section 49 of the British Act omitting however the words “trade name” after “trade mark” in the fourth line. I am unable to find any reason necessitating this omission. I might add that in the recent Australian Act section 66 has copied the British Act exactly including the words “trade name” omitted by the Indian Act. With a view to avoid ambiguity or any inference that there was any intent to have a different rule of evidence in India than that which obtains in the United Kingdom. I would suggest the inclusion of the word “trade name” in the place where it occurs in the British Act. The section would then read:—

“Section 79: In any suit or other proceeding relating to a trade mark, the Tribunal shall admit evidence of the usages of the trade concerned and of any relevant trade mark or trade name or get-up legitimately used by other persons.”

SECTION 80

301. In other countries [for instance section 135(1) of the Australian Act] a person in the employ of the applicant or opponent is specifically permitted to act and appear before the Registry. I do not see any reason why this should not be permitted here also. As several of the leading firms have on their staff persons with knowledge of Trade Mark Law and practice, this would tend to their convenience. It may be mentioned that there is no provision tinder the U.K. Act of 1938 for registration of Trade Marks Agents, and that section 65 of that Act permits a duly authorised agent of the applicant to do any act required to be done by the applicant (see U.K. Rules 14, 81 and 85).

302. I would accordingly redraft section 80 to read as:—

“Section 80:— Agents.— Where by or under this Act any act, other than the making of an affidavit, is required to be done by any person the act may, subject to prescribed conditions or in special cases with the consent of the Central Government, be done. In lieu of that person himself, by a duly authorised agent, being one or other of the following (a) a legal practitioner (b) a person registered in the prescribed manner as a trade marks agent (c) a person in the sole and permanent employment of that person.”

PUBLICATION OF THE REPORTS OF TRADE MARK CASE

303. The Committee have in para 28 suggested that Government should publish a report of Trade Mark cases. I do not agree with the Committee that there is any justification for a publication on the lines of the Report of Patent Cases in England, which is what I understand their report to suggest.
304. The total number of judgments of the several High Courts rendered on the interpretation of the various sections of the Act since 1942 does not, I understand, exceed 50. The number of decided cases under the Patents and Designs Act during the same period might be counted on one’s fingers’ ends. Even the most optimistic estimate cannot put the reportable judgments in both branches of the law in each year above 4 or 5. In these circumstances I do not see any necessity for a special publication to cover these few judgments.

305. The Trade Marks office is now running a Trade Marks Journal and whenever the Register comes across any judgment of a High Court to the Supreme Court dealing with the construction of any provision of the Act or of any branch of the Trade Mark law, including even passing off actions, he might publish these judgments in the Trade marks Journal with a separate paging so as to facilitate these portions being detached and bound separately. This portion of the Journal may be sold to persons desirous of so buying them. This would involve very little by way of expense compared to what the Committee have suggested.

306. It will be for the Government to consider whether they would authorise the Trade Marks Registry to publish the decisions rendered upto now or whether they will leave it to private enterprise. Personally speaking I would prefer the latter alternative since I am doubtful whether such a publication would be a profitable venture.

SECTION 83

307. I wholeheartedly endorse the Committee’s recommendation that India should join the International Convention for the Protection of Industrial Property. With the rapid strides made in industrial production, our export trade is bound to go up in volume and it would be a great handicap if manufacturers in this country are unable to protect effectively their trade marks or quality marks in their export markets. Several countries insist upon membership of the International Convention before permitting registration by foreign nationals in their country. Thus the marks on the Indian Register are unable to obtain registration in Belgium, Holland, Denmark, Norway, Sweden and Finland because India is not a party to the International Convention. It is in these circumstances that I recommend this step as one calculated to foster the Indian export trade.

308. If the proposal were accepted, certain amendments will have to be made in the Trade Marks Act. There should be a section reproducing with necessary variations, sections 91 and 91(A) of the British Patents and Designs Act. There should also be a provision in section 16 on the lines of the proviso to section 19(1) of the British Trade Marks Act, 1938.

309. As the provisions of the Indian Trade Marks Act, 1940 do not contain any sections contravening the law as enunciated in the several articles of the Convention and are on the other hand, in conformity with them, no other changes in the substantive law are caned for.

310. The only other question to be considered in this connection is whether by reason of Art. 12(1) of Convention, the Patents Office and the Trade Marks Registry have got to be combined to have a central office dealing with Industrial Property in general, that is, patents, utility models, industrial designs or models and trade marks. Apart from whether this is required by the Convention or not it would have to be considered whether the combination of the two offices would not enhance the efficiency of both and result in less expenditure to Government.
SECTION 84

311. If my recommendations as regards the division of the country into zones and the vesting of particular offices with exclusive jurisdiction to receive and deal with applications for registration etc., are accepted, provision would have to be made in section 84 for conferring upon the Government power for enabling this to be done by rules made by it. Similarly I have suggested that the Government should take a hand in according sanction for registration of permitted users. This also would, require extension of the rule making power for its effectuation. I have not drafted the necessary-clauses but I have left them to be done by the Government.
Trade Marks Rules

Rules 9, 10 and 20

312. The following suggestions of Mr. Whyman set out at page 97 of the report appear to me to be useful and may be adopted.” They are amendments to rule 9(2), rule 9(4), rule 10 and rule 20.

313. In regard to rules 31 and 32 I agree to the suggestion but I would add that the manner of service by the Registrar might also be indicated in the rule, i.e., that it shall be by registered post.

Rule 11-A

314. If the provision for preliminary advice by the Registrar is accepted, the rule to carry it out would correspond to rule 20 of the British Rules:

“11-A. Any person who proposes to apply for the registration of a trade mark in Part A or Part B of the Register in respect of any goods may apply to the Registrar on form 54-A or on form T.M. No. 54 in a case where he is also making an application under rule 36(a) for advice as to whether the trade mark, of which duplicate representations shall accompany the form, appear to the Registrar prima facie to be inherently adapted to distinguish within the meaning of section 6 or inherently capable of distinguishing within the meaning of section 6A, as the case may be, in relation to those goods, and shall apply separately in relation to goods comprised within different classes of goods in schedule IV.”

Form T.M. 54-A might be in terms of form No. T.M. 29 of the British Trade Mark Rules and form No. 54 should correspond to British T.M. No. 29(II).

Rule 12

315. Certification trade marks for which special provision is made in rule 90 Part II may be excluded from the operation of rule 12.

Rule 13

316. This rule might usefully include paragraph 3 of rule 21 of the British Trade Marks Rules which might be inserted as a proviso to rule 13(1). I understand this to be the practice prevailing and the incorporation of this provision would merely put in statutory form the procedure which is being followed. If this amendment were carried out this rule would read:

“Provided that in the case of an application for registration in respect of all the goods included in a class, or of a large variety of goods, the Registrar may refuse to except the application unless he is satisfied that the specification is justified by the use of the mark which the applicant has made or intends to make if and when it is registered.”

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Rule 18

317. A paragraph similar to para 2 of rule 28 of the U.K. Rules may be added to rule 18 of the Indian Rules.

Rule 21

318. If India should become a member of the International Convention rule 21 should be replaced by a provision as in paragraph 2 of rule 21 of the British Trade Marks Rules. That paragraph reads thus—

“Every application claiming priority under section 91 of the Patents and Designs Act, 1907 to 1938, or any enactment amending those Acts, by reason of an application to register the trade mark made or deemed to have been made in as Convention country as defined in Section 91A of those Acts, which country shall be named, shall state the date of that application, and the applicant shall furnish a certificate by the Registrar or other registering authority of that country, or shall otherwise verify the application made or deemed to have been made therein to the satisfaction of the Registrar.”

Rule 23-A

319. A new rule might be made directing the return of the fee paid in respect of an application which is rejected on the ground of there being a prior similar mark on the Register where the original search in the form T.M. 54 did not disclose the mark whose existence has led to the rejection of the application or where contrary to the preliminary advice tendered to an applicant, the mark is held not to be registrable in Part A or B of the Register on the ground that it lacks distinctiveness.

Rule 30

320. I favour the Committee’s suggestion that the period of four months fixed by rule 30 should be cut down to three month (see paragraph 37 of the Report).

321. In this connection I might point out that under the British Patents Act of 1949, notice of opposition even in such complicated proceeding as opposition to a patent, has to be filed within three months from the date of the publication of the complete specification and that as this period is specified in the Act (section 14), the Controller cannot extend the time, under rule 154 of the U.K. Patent Rules.

322. The cutting down of the period for filing notice of opposition without any possibility of extension might perhaps not sit the general dilatory habits prevailing in this country and might in some case lead to injustice. I am not however on this account in favour of conferring on the Registrar discretion to grant adjournments without limit. In my opinion the rule ought to prescribe the maximum period for which the Registrar might grant extension, and this might be limited to one month. This should be obtainable on application for which a small fee, say Rs 10, might be charged. If this proposal were accepted, the maximum period within which notice of opposition could be given would be four months, and I do not consider this unreasonably long.
323. The Registrar of Trade Marks furnished me with a statement showing the number of applications for extension of time received by him during the year 1954. This showed that as many as 3,500 requests for extension were filed during the year, working out an average of nearly 300 per month. Under the rules as they stand I consider it rather embarrassing for the Registrar to decline to grant an extension of time when some plausible reason is suggested for the delay, particularly when his power under rule 76 is plenary and unlimited. It is the obtaining of these extensions that appear to me to be in large part responsible for the delay in the disposal of applications for registration and to account for the time taken between the date of the application and the date of the registration. If this delay were eliminated by cutting down the extensions I should expect expeditious disposal of applications for registration without unreasonable delay.

324. The suggested reduction in the period for filing notice of opposition would not cause serious hardship to would-be opponents where a party, through no fault of his own, was unable to file opposition, he would still have his remedy by way of rectification, though by reason of his not coming earlier, he would have to contend against the presumption of the registrability of the mark, the onus being upon him to show that it was otherwise.

325. Section 15 contemplates the possibility of an application for registration being advertised on more than one occasion. I take it that the word “times” has been used in line three of rule 27 to indicate this possibility of there being more than one advertisement. In such cases the period within which the notice of opposition to the trade mark should be filed would be three months from the date of the last advertisement. As the rule now stands it reads as if the starting point is the date of the first advertisement and if this were so, the object of the advertisement would be frustrated. To achieve the purpose of this section, the rule ought to read (1) “The time within which a notice of opposition to the registration of a trade mark may be filed, shall be three months from the date of advertisement of the application for registration in the journal or (2) where there is more than one advertisement in relation to the same application three months from the date of the last advertisement.” Such notice shall be on Form T.M. 5.

“Provided that the Registrar may on application made in Form T.M.………. extend the time prescribed under sub-rule (I) by one month more in cases where he is satisfied that the applicant has just cause for not filing the notice of opposition within the time prescribed by that sub-rule.”

Rule 41

326. Where an application is made on behalf of a firm for the registration of a mark and the mark is registered, the partners will figure as the joint proprietors of a mark under section 17(1). The effect of this provision would be that when there is any change in the constitution of the firm there would virtually be an assignment and this will have to be registered, of course, on payment of prescribed fees for registration of assignments.

327. If the period for filing notice of opposition is to be cut down to three months, the expression “four months” should be replaced by “three months” in this rule.
Rule 47

328. The rule does not provide for notice to the registered user where the mark has thus been licensed. This is very necessary as he would be gravely prejudiced by the expunging of the mark.

329. The relevant portion of the rule may therefore read:

“the Registrar shall notify the registered proprietor and the registered user, if any, in writing, etc.”

330. I do not agree with the suggestion of Mr. Whyman. Very often the address for service given in the application for registration which is entered in the register as the address for service is that of the trade mark agent who gets the application registered. His connection with the registered proprietor often ceases after the registration is completed and it would be hard on the proprietor if notice does not go to him but only to the agent with whom he might possibly have lost all contact. I would, therefore, prefer the rule to remain in the form in which it exists at present.

Rule 49

331. Sub-rule (2) of the rule confers on the Registrar power to restore a mark which has lapsed owing to non-payment of renewal fee but prescribes no period of time within which alone this could be done section 71(1) of the recent Australian Act prescribes a period of twelve months and I consider that a provision of that sort is useful. The Indian rule is modelled on the U.K. rule but I consider the Australian form to be an improvement. Rule 49(2) may then read:

“After the mark has been removed from the register, the Registrar may, on receipt of a request made in that behalf on Form TM-13 within twelve months thereafter restore the mark to the register on being satisfied that it is just so to do, and upon such conditions as he may think fit to impose.”

Compare in this connection the provision in section 19 regarding the effect of removal from, the Register in the circumstances dealt with by the rule.

Rules 51 to 53

332. I understand the present practice of the Registry to be that when an application for registration is made in the name of a firm, the disclosure of the names of the persons constituting that firm is insisted on and the entry in the Register indicating the proprietor, sets out the names of every one of the partners so much so that the partners are treated as joint proprietors within section 17(1). If this is so it is clear that a partnership is not treated as an entity but merely as a group of persons conveniently designated by a common trade name. To fit in with this conception, the rules should make it clear as to what is to happen when a change occurs in the constitution of a firm. Such cases, ought in strict theory to be treated really as instances of assignment unless the partnership deed itself provides for the right to the trade mark ensuring to the continuing or surviving partners notwithstanding any change in the constitution of the firm. In cases where there are clauses of this type in a partnership
deed there would be no assignment as such but in other cases on the death of a partner, his right to the goodwill as well as to the trade mark belonging to the firm, would pass to his legal representatives and it would be a case of transmission. If by agreement with such legal representatives, other continuing or surviving partners acquire these rights, it will be a case of assignment. In disputes between parties as regards the relative rights either on the basis of a transmission or an assignment, the rules should provide for the Registrar keeping the Register intact in its original form until the aggrieved parties have their disputes settled, either by agreement or obtain an order of Court settling their rights, in which case, the Registrar would enter the name of the person whose rights have been upheld by the Court.

Rule 55

333. The second sentence should read as follows:

“The application shall give particulars of the registration in the case of a registered trade mark, and in the case of an unregistered trade mark, shall show the mark and give particulars, including user of the registered as well as of the unregistered trade mark that has been assigned therewith, in accordance with section 30.”

Rule 64

334. After form 34 add “Form TM-50” adding in the heading to that form Rule 64 also.

Rule 65

335. Where the proprietor of a trade mark is not a single individual but the mark is registered jointly in the names of persons not trading together as a firm in a firm name, it would be necessary for copies of the application to rectify, remove, etc., being served upon each one of the joint proprietors. In such cases, it would be necessary to insist upon the applicant for rectification filing, not merely a duplicate copy but as many copies as there are proprietors to be served. Provision should be made for this in the rule and the applicant should be directed to file as many copies as are necessary to serve on each one of the registered proprietors. The language of Rule 65 should be suitably modified for this purpose. The last word in that sentence which speaks of duplicate copies is rather ambiguous and may be replaced by “copies of the application and the statement”.

Rule 67

336. Mr. Whyman’s suggestion that the Registrar might be empowered to impose a condition as to security for costs in case of intervention by third parties appears reasonable and may be accepted. The purpose in view would be achieved if the last portion of the rule read:

“the Registrar may refuse or grant such leave after hearing (if so required) the parties concerned, upon such conditions and terms including undertaking or conditions as to security for costs, as he may deem fit to impose.”
Rule 70

337. This deals with applications under clauses (c), (d), (e) of sub-section (1) of section 47 and enjoins on the Registrar the duty of serving a copy of the application on persons who appear from the register to have any interest in the trade mark. The words “have any interest in the trade mark” are no doubt wide enough to comprehend registered users but as these persons have been specially dealt with by the Act it is much better that the rules specifically name them as persons to whom notice should be served. There is no objection to the omnibus provision in the present form remaining alongside of this specific rule. The last portion of the rule would then run:

“the Registrar shall serve or cause to be served a copy of the application on each registered user of the mark and on any person who appears from the register to have any interest in the mark.”

338. The rule does not provide for the Registrar deciding the application after considering the application and any representations that might be made in that behalf, as well as of these appearing in opposition to such application. To achieve this a provision in the form of sub-rule (3) might be added in these terms:

“(3) The Registrar shall after considering the application and the representations, if any of the applicant, as well as the representations of any person who might object to the application, decide to grant or refuse the request of the applicant and shall communicate his decision in writing to the applicant, as well as any other party who has appeared in such proceedings.”

Rule 72

339. Four months specified in sub-rule (2) appears to be to long. It should be out down to three months. This would be in line with the authorised period for notice of opposition under rule 30 in connection with the original registration.

Rule 76

340. If the powers of the Registrar as regards the time to be granted to a would-be-opponent to file notice of opposition is to be restricted to any particular period; rule 76 should contain a saving granted to a would-be-opponent to file notice of opposition is to be for such an exception. This would be achieved by adding rule 30 to the rules 55 and 59 enumerated in rule 76.

341. In line with my proposal to charge a fee of Rs. 10 for applications for extension of time to file a notice of opposition, I would suggest that a fee of Rs. 5 might be imposed for every application under this section. This would minimise, if not eliminate, all unnecessary applications and tend to shorten proceedings before the Registrar and incidentally increase the revenue to the department.
Rule 79

342. I agree with Mr. Whyman that rule 79 may be amended so as to correspond word for word with rule 121 of the British Rules. Mr. Whyman further suggests at page 98 of his report the inclusion of certain rules to be found in the British Trade Marks Rules but which are absent here. I agree to the suggestion except in regard to rule 55 of the British Rules and for this reason. Rule 76 of the Indian Trade Marks Rules is comprehensive enough to include the matter dealt with in the British rule 55 and in view of this there need not be any duplication by re-enacting another rule of the same type. As regards the inclusion of matters contained in rules 15 to 17 of the British Rules, I do not see any inconvenience arising from the present procedure of the Central Government giving directions to the Registrar. The only suggestion which I would make in this respect is that these directions when given from time to time might be advertised in the Trade Marks Journal so that the Commercial public might be apprised of the marks which they are prohibited from applying for registration.

Rule 86

343. I would favour the adoption of the rule that obtains in Government offices under which documents other than permanent registers are destroyed periodically after they cease to have any relationship to any live proceedings. Applying that analogy to the present case, I do not see why any application or correspondence with an applicant, notice of opposition or correspondence with an opponent, affidavits filed on either side as well as documents annexed to such affidavits should be retained in the Trade Marks Office when the documents do not relate to a live mark. This latter event might happen by the rejection of an application for registration and no proceeding being taken thereafter to get the order set aside, or where appeal proceedings are taken but are unsuccessful, or by abandonment of the applications. When this stage is reached and after a reasonable length of time say three years, the party filing them might be given an option to apply for the return of the documents and if such application is made, the documents might be returned to the applicant. The same procedure might apply to cases where a mark entered on the register is expunged and no appeal is filed from that order, or if an appeal is filed and it is unsuccessful, or when the mark is not renewed. The rule should provide for the destruction of these documents in cases where the parties do not avail themselves of the option and the documents are left in the custody of the Registrar. I am making this suggestion because of the practical inconvenience in the matter of space and as these documents would not serve any useful purpose in the registry.

344. I have already made my suggestions in regard to documents which ought to be open to public inspection in my note as regards section 75 and for the amendment of rule 86 to make it comprehensive enough to include all these documents.

345. In passing, however, I might note that one of the documents open to public inspection under the Act is a deposit regulation in connection with a certification trade mark but rule 86 as it stands does not make provision for the inspection of this document.

Rule 89

346. This rule proceeds upon the footing that certification marks are not trade marks proper and specifically enacts that provisions of Part I and Part V apply to such marks and
then starts creating an exception by subjecting the provisions of these parts to those contained in Part II. In view, however, of the amendment by which certification marks are rendered a species of trade marks, the language of rule 89 would have to be altered. The rule may be amended in this form:

“89. The provisions of Part I and Part V of these rules shall in their application to certification trade marks apply only subject to the provisions of this part.”

The corresponding British rule 39 is more elaborate but in my opinion the above draft will suffice.

Rule 96

347. The change similar to that in section 89 is required in this also and for the same reason. I would suggest the re-draft of rule 96:

“96. Rules to apply to Textile marks.— Subject to the provisions of this part, the provision of Part I. Part II and Part V of these rules shall apply to trade marks in respect of textile goods as they apply to trade marks in respect of non-textile goods.”

Rules 97 and 108

348. The words “or a certification trade mark” should be omitted.
Provisions of the Indian Penal Code

SECTION 478

349. Section 478 of the Indian Penal Code and section 2(1)(A) of the Merchandise Marks Act, 1889 are parallel provisions and in consequence the definition of Trade Mark in the two enactments should be identical. It might be noted that the English Merchandise Marks Act deals with false and forged marks, the latter corresponding to counterfeit marks in the Indian Penal Code as well as false trade descriptions and provides punishments for both sets of offences in the same section. In the Indian enactments however these two have been separated owing to historical reasons but this ought not to make any difference.

350. In the original Indian Penal Code as enacted in 1860 the offences of counterfeiting trade and property marks were included in sections 478 to 489. The original definition of “a trade mark” was “a mark used for denoting that goods have been made or manufactured by a particular person or at a particular time or place or that they are of a particular quality”. It will be seen that this would take in both the concept of a trade mark as well as of a trade description. In 1889 the Indian Merchandise Marks Act was enacted and this was on the lines of the English Merchandise Marks Act which had been passed a couple of years earlier. The English Act had an elaborate definition of “a trade description” and particular provision for offences relating to false trade descriptions. It was considered that this should be introduced into India also and the Act of 1889 was enacted. Under section 3 of this Act the definition of a “trade mark” in the Indian Penal Code was altered so as to include “marks registered in the register of trade marks kept under the Patents, Designs and Trade Marks Act, 1883 (of the U.K.)” and any trade mark which, either with or without registration, is protected by law in any “British Possession, or foreign State etc.” copying in this respect the definition of “trade mark in the U.K. Merchandise Marks Act of 1887”. As for “trade description” also the definition in the U.K. Act was copied. However, in India a separation was effected by the legislature between offences in relation to false trade descriptions and offences in relation to false trade marks, the former being dealt with by the Merchandise Marks Act while the latter was left to be dealt with by the Indian Penal Code. But as I have mentioned earlier the fact that the subject matter is dealt with in two enactments ought not to make any difference as regards the contents of the definition of a “trade mark” or of the mark that is the subject matter of protection.

351. The definition in section 478 I.P.C. of a “trade mark” as including a mark registered under the Trade Marks Act, 1940 is defective in that it is apt to include marks once on the register but which have been subsequently removed. The definition in the Indian Merchandise Marks Act by referring to the definition in section 2(1)(j) of the Trade Marks Act, avoids this ambiguity.

352. The second part of the definition in section 478 I.P.C. deals with unregistered marks. Though this section follows section 2(1A) of the Merchandise Marks Act, the only variation being the use of the expression “as proprietor” in the Merchandise Marks Act which does not occur in the Indian Penal Code, I am of the view that the definition in the Indian Penal Code is better for the omission of the words “as proprietor”. The expression “proprietor of a mark”
is in legal parlance used to indicate generally the proprietorship of a registered mark and is likely to be misleading if used in a context where the reference is to unregistered marks.

353. There is one other matter to which I desire to refer, in regard to the definition of an unregistered mark introduced by the second portion of the section, the words used being, “mark used in relation to goods for the purpose of indicating or so as to indicate”. The expression “so as to indicate” quite correctly sets out the necessary ingredient of an unregistered mark. But in regard to the use of the phrase “used for the purpose of indicating” I am of opinion that this does not correctly express the law on the point. The intention of the owner of the mark as regards its use for the purpose of indicating is wholly irrelevant for the purpose of establishing the ownership of the mark. What is really crucial is that the mark is so used and that such use indicates in fact a connection in the course of trade, whether there is any such intention on the part of the owner or not. This is made clear by the judgment of the House of Lords in Bass v. Nicholson (49 R.P.C. 68 H L.) where Lord Macmillan points out that the requisite of a mark is that there need not be any deliberate resolution on the part of the user to use the mark for that purpose and that it is sufficient if in the result the use has been such as to indicate a trade origin. In view of this decision, the Goschen Committee of the U.K. recommended the use of the words “so as to indicate” in the corresponding definition in the U.K. Act, 1938. I would accordingly redraft section 2(1)(A) of the Indian Merchandise Marks Act and section 478 in identical terms to read as:—

“Trade Mark” means a ‘registered trade mark’ as defined in clause (j) of sub-section (1) of section 2 of the Trade Marks Act, 1940 or a mark used in relation to goods so as to indicate a connection in the course of trade between the goods and some person having the right to use the mark.”

354. The second point in relation to which I would make an amendment in this definition is by the addition of a definition of “package”. A comprehensive definition of what is included in the concept of a “package” on which a trade mark should be applied to render it a false mark, is to be gathered from the several sub-sections of section 5 of the Indian Merchandise Marks Act, 1889. Adopting the expressions used there I would suggest “package” being defined in section 478 as:—

“Package includes a case, box, wrapper, label, band, ticket, covering, reel, frame, receptacle, vessel, cask, bottle, capsule, cap, lid, stopper, cork or other like thing or things.”

A definition here would obviate the need for the use of a large number of expressions in the subsequent enacting portions of the code.

355. I do not consider the definition by the Committee of the expression “colourable imitation” very satisfactory. In its stead I would suggest the following:—

“Colourable Imitation” of a trade mark or a property mark means, “an imitation which so nearly resembles such trade mark or property mark as to be likely to deceive or cause confusion.”

SECTION 480

356. I do not agree with the Committee, that a distinction should be drawn between registered and unregistered trade marks, either in regard to the ingredients of any offence in
relation to each or in the punishments to be inflicted on persons using a false or forged trade mark. When a forgery of a mark is punished as a crime the protection of the property of the owner of the mark is no doubt one of the factors that enters as an element in the consideration of the question. The major element is however the injury to the public in goods being palmed off on them by deception by means of a mark improperly applied to the goods and they being induced to go in for spurious products under the belief that they are genuine. So as the latter is concerned, no distinction can be drawn between registered and unregistered marks, the injury to the public being identical. There can be no justification therefore for varying the punishments in the two types of cases. I am not, therefore, in favour of clauses (a), (b) and (c) of the Committee’s re-draft of section 480.

357. There is one further point about this section which deserves to be noticed. The corresponding section 5(3) of the British Merchandise Marks Act, 1387 introduces a qualification that the application of the mark should be without the assent of the proprietor to render the act criminal. No reasoning is necessary to show that this is essential and section 480 must be suitably amended to bring this out. I would also add the last portion of section 5(3) of the British Act regarding the burden of proof being on the accused.

358. Moreover in order to counteract the practice of filling up goods in containers bearing the trade mark or bearing the trade mark which has already been altered so as to resemble another mark section 480 has to be suitably amended. These types of offences appear to be very common now, and in fact the bulk of the evidence placed before the Committee related to spurious drugs, which were passed off in genuine containers. In order to strengthen the criminal law in this regard, I recommend the adoption of sub-clauses (b) and (c) of my draft.

359. If these changes are made, section 480 would read:—

“Section 480:— Using a false trade mark.— Whoever without the assent of the proprietor or the owner of a trade mark;

(a) marks any goods or any package containing any goods with the mark of such proprietor or owner or a colourable imitation thereof; or

(b) marks on any goods or package containing any goods with the trade mark of such proprietor or owner, falsified by alteration whether by way of addition, effacement or otherwise, so as to be a colourable imitation of such mark; or

(c) uses any package already bearing a trade mark of such proprietor or owner or uses a package containing such trade mark falsified by alteration whether by addition, effacement or otherwise, so as to be a colourable imitation of such mark, for the purpose of packing, filling, or wrapping therein any goods other than the genuine goods of the proprietor or the owner of the said mark, shall be said to use a false trade mark.

“Explanation 1.—A person shall be said to mark the goods or the package containing the goods whether the mark is woven, impressed or otherwise worked into or annexed or affixed to the goods or to any packages containing such goods.

Explanation (2)— In any prosecution for using a false trade mark the burden of proving the assent of the proprietor or owner of the trade mark shall be on the accused.”
SECTION 481

360. As I have already inserted a definition of a package in section 478 I.P.C. section 481 may be redrafted as follows:

“Section 481:— Whoever marks any movable property or goods or any package containing such property or goods 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 package so marked, belong to a person to whom they do not belong is said to use a false property mark.”

361. In addition I would suggest an explanation to this section also in the same terms as I have added to section 480 to make the use of the term “mark” comprehensive.

“Explanation.— A person shall be said to mark movable property or the goods or the package containing the property or the goods whether the said mark is woven impressed or otherwise worked into or annexed or affixed to the property or the goods or to any package containing such property or the goods.”

SECTION 482

362. For the reasons already set out by me in discussing the Committee’s draft of section 480 I am not in favour of drawing any distinction between offences in relation to registered and unregistered trade marks. I am, however, in favour of an enhanced punishment for using a false trade mark—whether it is registered or unregistered — if the goods in relation to which the offence is committed are either “drugs” as defined in the Drugs Act, 1940 or “food” as defined in the Prevention of Food Adulteration Act (XXXVII of 1954 and for this reason. In both these cases where spurious food or drugs are passed off for genuine ones, there is grave danger to public health and that is the aspect which has appealed to me most strongly as justifying an enhanced punishment. Further, having gone carefully through the entire oral and documentary evidence placed before the Committee, I find the whole case in favour of enhanced punishment is rested on instances of passing off, in the case of spurious drugs. This practice has to be discountenanced and repressed, but I do not see any justification for making a general alteration in the law. In the case of the use of false trade marks in general the only elements to be taken note of, are an injury to the owner and the deception of the public. I consider that the present punishment of one year’s imprisonment or fine or with both provided under section 482 is sufficient to cover all cases except when the use of the false trade marks is in relation to drugs and food as understood above. I would, therefore add, in section 482 a second, paragraph providing for enhanced punishment in cases where the offence of using a false trade mark is committed in relation to any “drugs” as defined in the Drugs Act as it may be amended from time to time or “food” as defined in the Prevention or Food Adulteration Act, 1954 and the enhanced punishment I would suggest is imprisonment for a term of three years or fine or with both. The following draft would serve this purpose:—

“Provided that where a false trade mark is used on any goods, which are, or on any package containing goods, which are “drugs” as defined in section 3(b) of the Drugs Act, 1940 or “food” as defined in section 2(v) of the Prevention of Food Adulteration Act, 1954 (Act XXXVII of 1954) the offender shall be liable to punishment with..."
imprisonment of either description for a term which may extend to three years or with fine or with both.”

SECTION 483

363. I have carefully considered the definition of a false trademark as found in section 480 read with section 482 and have compared it with the definition of a counterfeit mark in section 28 of the Indian Penal Code, in the light of the explanation (2) thereto. I am, however, unable to see any distinction between a false mark and a counterfeit mark. I am aware that the dissenting member of the Committee has made recommendations on the basis that such a distinction exists and he has suggested that there should be an enhanced punishment in the case of counterfeit marks while the sections should be left as they are in cases of false marks. I understand the point of distinction drawn by the dissenting member as well as in certain memoranda placed before the Committee to be based on the degree of similarity or the degree of identity between the two marks. But I am unable to see how any objective standard of the degree of similarity could be set out in legislative form such that it could be applied by the Courts. I find myself utterly unable to frame a definition which would draw any distinction between a similarity sufficient to deceive and a similarity nearly identical which of course is also calculated to deceive. I have not been able to discover in any decided cases the exact point of distinction between the two. Unless one were able to put down in so many terms the items of similarity that might exist and say that if it exceeded a particular number it should be treated as counterfeiting and if it fell short of that number but still sufficient to deceive or mislead it would be a false mark it would be impossible to frame a definition which distinguished between the two I have left this task as hopeless. The existence of two sections 482 and 483 as if there were really two different offences leads in my opinion merely to confusion and the time has arrived when this could and ought to be cleared and the sections enacted in a rational and intelligible way. Having provided for a punishment for using a false trade mark or property mark the Penal Code has really provided for the punishment for counterfeit marks also and in my opinion there is no necessity for the retention of section 433 or for reference to “counter-foiling” or “counterfeit marks” in sections 484, 485 and 486. I therefore suggest the deletion of section 483. Its entire purpose is served by sections 480 and 482.

364. Though, the U.K. Merchandise Marks Act uses both the expressions “forges any trade mark” as well as “falsely applies to goods any trade mark as to be calculated to deceive”, they are not really two distinct offences. Under section 4 a person is said to “forge” a trade mark who “without the assent of the proprietor of the trade mark makes that trade mark or a mark so nearly resembling that trade mark as to be calculated to deceive” so that the expression “forged” includes both what might be termed a counterfeit mark in the sense of an identical mark, as well as a false mark, that is one which deceptively resembles the genuine mark. Under sub-clause (b) of section 4 a “falsification” of a genuine mark is included in the definition of a “forged” mark. Further “forging any trade mark” as defined above as well as “falsely applying to goods any trade mark calculated to deceive” are both offences under the same section 2(1) and the punishments prescribed are the same. As I have included both these hypes of what might be termed “false marks” within section 480 I do not consider that there is any necessity to have a different section in the shape of section 403 to deal with “counterfeit” marks.
SECTION 484

365. I would replace the expression “counterfeits any property mark” by the words “uses any false property mark” and by replacing the word “counterfeit” when it occurs again by the word “false” and similarly, in sections 485 and 486. The marginal note to these sections would have to be suitably altered.

366. There is one further point to which I consider it necessary to advert. The definition of a “false mark” proceeds upon the footing that there could not be two registered trade marks belonging to different owners; in other words, sections 480 and 482 proceed upon the negation of a concurrent right to use the same or similar marks in different individuals. Several provisions of the Trade Marks Act, however, indicate or make provision for the exercise of such concurrent rights. For instance in this connection I would refer only to sections 10(2) and 22(3). Similarly there might be limitations imposed upon the proprietors of trade marks, these limitations being of various types, under section 14 of the Trade Marks Act. The user of a mark in circumstances which would not be an infringement of a trade mark under the law relating to trade marks ought not to be treated as a criminal offence, or as the use of a false mark punishable under the provisions of the Penal Code. On the language of sections 480 and 482 as they stand and even as redrafted by me a person entitled to a concurrent use of the mark would be committing an offence under the Penal Code which is certainly not what was intended. Similarly where a mark is used in an area which is not open to use by the registered proprietor of a trade mark having regard to the limitation entered; on the register, it might amount to an offence under section 480, notwithstanding that it is not an infringement under the Trade Marks Act. There might be other similar anomalies but it is unnecessary to exhaustively catalogue them. These could be obviated if a provision on the following lines were inserted at the end of this group of sections in these terms:

“Section 486-A—Sections 478, 480, 482, 485 and 486 shall in relation to registered trade marks and the proprietors of such marks be subject to the rights created or recognised by the Trade Marks Act of 1940 and no act or omission shall be deemed to be an offence under the Code if the same were lawful or permitted by the Trade Marks Act of 1940.”
Indian Merchandise Marks Act, 1889

(Act No. IV of 1889)

SECTION 2(1) A.

367. See my notes to section 478 I.P.C. as regards the definition of a “trade mark”.

SECTION 2(2)

368. The definition of ‘trade description’ in section 2(2) of the Indian Merchandise Marks Act is an reproduction of the corresponding provision in section 3 of the British Merchandise Marks Act of 1887. By an Amending Act of 1953 the definition in the U.K. Act has been expanded. The Committee have recommended that we should follow these amendments and incorporate two new sub clauses which they have set out in paragraph 99 of their reports as section 2(2)(aa) and 2(2)(ab).

369. I do not see any objection to the introduction of sub-clause (aa), but sub-clause (ab) stands on a different footing. As is noticed by Fletcher Moulton and Langdon Davies in their “Law of Merchandise Marks” page 20, the new sub-section (ab) “brings within the Acts a completely new type of description and one which is particularly common in modern commerce. Such claims as that goods are ‘rustless’, ‘stainless’, ‘moth proof’ or ‘unbreakable’, that they ‘don’t damage delicate fabrics’, that they are ‘water-proof’, ‘unshrinkable’, ‘rotproof’, or that they kill unpleasant odours in five minutes, to name only a few of the more obvious, now become trade descriptions within the meaning of the Act.” I do not claim to know how far the English consuming public take general puffing in the trade seriously, but I am not in favour of branding sack venal exaggerations as criminal and sentence such traders to terms of imprisonment for being guilty of applying a “false description” in marketing their goods. In this connection it is interesting to note that the introduction of this second sub-clause has necessitated the enactment in England of an exception in favour of existing trade marks, which the Committee themselves have re-produced as section 3(A). That itself shows how widespread is this practice of exaggeration and I do not see any logic in drawing a distinction between, trade marks already registered or in use and those which might hereafter come into use and be subsequently registered. I am not implying that such a distinction between marks already on the register and those to be registered would be violative of Article 14 of the Constitution, but I am not impressed with the logic of the distinction embodied in the exception in section 3(A) of the Committee’s draft which has necessarily to be included if sub-clause (ab) were introduced. I would therefore con-line the amendment to that set out in sub-clause (aa) at page 28 reading as:—

“(aa).— as to the standard of quality of any goods, according to the classification commonly used or recognised in the trade.”

I am in favour of the amendment introducing the words or misleading after “untrue” in clause (3) of section 2.
370. Clause 4 of the Committee’s draft.—I do not see the point in the suggestion embodied in clause 4 of the Committee’s report. The extended meaning of trade description, might apply to section 18 of the Sea Customs Act as well.

371. Clause 5 of the Committee’s report (section. 6).—I agree to the enhancement of punishment suggested by the Committee in clause 5, the enhancement being from three months and Rs. 200 fine to one-year and Rs. 1,000; and from one year’s imprisonment in the case of a second conviction to three years. In this connection the analogy of section 482 of the Indian Penal Code would appear to favour this extension. It might be noted that in the United Kingdom the punishment for forging a false mark or applying a false mark or false description is all dealt with under section 2(3) of the Merchandise Marks Act, 1887, this being when convicted on indictment, imprisonment for a term not exceeding two years and fine.

372. Clause 6 of the Committee’s report (section 7).—For the reasons mentioned by me in regard to section 6 (Committee’s clause 5) I agree to the enhancement of punishment suggested by the Committee.

373. Clauses 7, 8 and 9 of the Committee’s report.—I am in agreement with the Committee in regard to their recommendations contained in clauses 7, 8 and 9 of their draft of; the Merchandise Marks Act. As already indicated I would recommend that initially the notification in regard to the requirement regarding the name and address of the manufacturer being shown on goods might be made in respect of “Drugs” as denned in the Drugs Act and “Food” as defined in the Prevention of Food Adulteration Act (XXXVII of 1954).

374. In addition I would suggest the following:

Under Section 12A amended as suggested in the previous para the Central Government might require a trader to indicate not merely the country of origin of the goods, but also the name and address of the manufacturer or the person for whom the goods are manufactured. On the words of Section 7 as amended according to the Committee’s draft, though a failure to indicate these would be within its mischief, it is extremely doubtful if an incorrect or false statement as regards these particulars would be an offence. This should be placed beyond doubt. To achieve this. I would suggest the following:

In Section 2.(2.) defining trade description add the following as (bb) after (b)

“the name and address or other indication of the identity of the manufacturer or of the person for whom the goods are manufactured”.

The effect of this would be that the additional statutory requirement would become part of the trade description and so any deliberate erroneous statement in this regard would fall within the scope of, Section 7 as also of section 9 as being goods “to which a false trade description is applied”.

The further words which the Committee have suggested for incorporation into Sections 7 and 9 would cover cases where there is an omission to comply with the requirements of Section 12 A(b).
SECTION 15

375. This section has been modelled on and its language adopted from section 15 of the U.K. Merchandise Marks Act of 1887. Though this section has not given rise to any decided cases in England, a number of cases have arisen in India in which conflicting views have been expressed as to the meaning of the expression “the first discovery thereof by the prosecutor” occurring in the 4th line of the section. The Madras High Court in I.L.R. 22 Madras 488 construed the section as meaning, that the discovery need not be the offence for which the prosecution in question is being launched but if there was any discovery of a similar offence at an earlier date the one year rule barred the prosecution. On the other hand, a different view was adopted in I.T.R. 57 cal 1153 as also in Rangoon in A.I.R. 1940 Rangoon 114. The view taken in these courts was that where there were a series of offences by the forging of the same mark, the expression “offence” in section 15 referred to the particular offence which was the subject matter of the prosecution concerned, so that if the latter was committed within 3 years from the prosecution, the prosecution was in time. Similarly, where there were such series of offences as mentioned earlier, the first discovery referred to the section from which the one year period started was the discovery of the particular offence charged and not the discovery of the earliest offence in the series. These varying interpretations have been caused by the use of the expression “first” before the word discovery. Though the Bombay High Court in I.L.R. 59 Bom. 551 was originally inclined to adopt a view similar to that of the Madras High Court a contrary view was taken by a Full Bench of that Court in I.L.R. 1937 Bom 183, so that all the Courts other than the Madras High Court are now of one view. Speaking for myself I am in agreement with the view of the majority of the Courts. It is however proper that the conflict should be resolved and I would suggest its being resolved in favour of the Bombay and Calcutta view. This in my opinion would be achieved if the word ‘charge’ were inserted after ‘offence’ and the word ‘first’ which occurs before ‘discovery’ omitted. The section would then read:—

“No such prosecution as is mentioned in the last foregoing section shall be commenced after the expiration of three years next after the commission of the offence charged or one year after the discovery thereof by the prosecutor, whichever expiration first occurs.”

The Drugs Act, 1940

376. I am generally in agreement with the recommendations of the Committee as regards the amendment of this Act.

377. There are however a few changes to which the Committee attach considerable importance (vide paras. 127 and 128). Many of these had already been recommended by the Pharmaceutical Enquiry Committee and have mostly been incorporated into the Drugs Act by the amendments effected by Act XI of 1955. These relate particularly to two matters, (1) power being vested in the Central Government for control over drugs and for the enforcement of the Act. The majority of the States whose opinions are found in the files placed before me also favour this course. This has been achieved by the amending Act referred to above. (2) The power of search-by inspectors has been expanded by section 22 as re-enacted. These in my opinion ought to be sufficient to satisfy the demand voiced by some of the witnesses who
appeared before the Committee that offences in relation to drugs ought to be made cognizable. I consider that this is unnecessary and even harmful since the detection as several types of “misbranding” involve or pre-suppose a considerable amount of scientific knowledge of modern pharmacology which an Inspector under the Drugs Act might reasonably be expected to possess but which would be difficult to find in an ordinary police officer. I therefore consider the vesting of the powers in the Inspector under section 22 of the Act as now enacted is really an improvement on the suggestions contained in the Committee’s report to make the offences under the Trade Marks Act or at least under the Drugs Act cognizable. I consider that the changes now effected should be sufficient to stamp out the evil of spurious drugs which occupies so prominent a place both in the evidence before the Committee as well as in their report. The amending Act has also enhanced the punishment which was one of the recommendations of this Committee as well as of the Pharmaceutical Enquiry Committee. Leaving therefore these matters out of consideration, I shall proceed to deal with the other recommendations of the Committee.

378. I am in agreement with the Committee (paragraph 120)— where they suggest the extension of the definition of “misbranded drugs” to include “misdescription of the origin of a product”. The view expressed in the note by the Ministry of Health that the section as it stands is capable of including the matters which the Committee desire to include in the definition as also that the suggested matters relate to the Trade Marks Act and the Merchandise Marks Act and have nothing to do with the provisions of the Drugs Act, does not appeal to me. The Drugs Act in so far as it deals with marks on drugs is to some extent in pari material with the Merchandise Marks Act. A drug which is “mis-described” or “falsely described” within the meaning of one Act should not be treated as correctly branded or properly described for the purpose of the other. It is for these reasons that I am in agreement with the Committee in their recommendations.

379. In their actual draft, however, I find that there is an error. Though clause (b) of the draft will fit into both sections 9 and 17, clause (c) would fit into section 17 and not into section 9 which deals with imports. The corresponding provision for section 9 should read.

“Section 9(c).— If it is imported under a name which is identical with or deceptively similar to that of another drug.”

380. I agree with the Committee in their recommendation in paragraph 124 as regards confiscation. The principle of both the sections is the same.’ As the goods are deleterious or are likely to deceive, they should not be left in the hands of the accused or other person and so further circulated among the public. But in addition to this there ought to be a provision making it clear that the Government should after confiscating the goods destroy them if they are deleterious and if they desire to circulate them they should attach proper labels so that the drug would cease to be misbranded.

381. I also agree with the recommendation contained in paragraph 128 of the Report as regards the cancellation of the licence of a person who has been held guilty of the breach of conditions of a licence once granted.

Yours faithfully,

N. RAJAGOPALA AYYANGAR,
Judge, High Court, Madras.
Appendix – I

The Patent Office
25, Southampton Buildings,
London, W.C. 2,
28th December, 1937.

“......my own view is that there are considerable advantages in having both patents and trade marks dealt with by the same department.

In the first place, they are both, of course, forms of incorporeal property, the creation of law, and involving entries in public registers, so that, as you will readily appreciate, the procedure in applications, oppositions, rectifications and so on, is broadly of the same type in the two cases although, of course, in other respects there are fundamental differences.

Then a minor advantage which we find here is that it is often convenient for the one branch of the office to consult the other; for example the Trade Marks Branch often find it of advantage to consult our Patents Branch with regard to distinctiveness of words propounded for registration as trade marks.

Lastly it is, of course, the fact that these and other forms of Industrial Property are all dealt with together by the International Union and it is clearly of advantage for the matters connected with the Union and the Convention to be the concern of the same department.

SIR FRANK M. LINDLEY.
“......I have taken the opinion of the Council of this Federation on the matter. As you will notice from the enclosed statement relating to the Federation, the Council includes many members whose experience in this matter is valuable, and the general opinion of the Council was that the present organization of our own Patent Office is satisfactory in this respect. As you are aware, our own Patent Office deals with both patents and trade marks.

My own opinion agrees with the general opinion of the Council. It seems to me that the best organisation for an office in India would be the provision of an office to deal with the whole of Industrial Property including patents, designs, trade marks, Merchandise Marks and, if possible, copyright. The head of such a Department should preferably be a lawyer with a sound knowledge of physical science. He should have under him two assistants, one to deal with patents and designs and the other to deal with trade marks and Merchandise marks. The head of the department should retain in his own hands the administration of copyright and should be assisted by an officer subordinate to the assistants who deal with patents etc., and trade marks etc., respectively.

SIR WILLIAM JARRATT,
Secretary,
STAFF REQUIREMENTS OF THE COMBINED OFFICE OF PATENTS AND TRADE MARKS

In making their recommendations for the reduction of staff the Reorganisation Unit appears to have gone solely on the basis of the figures of communications received in the Trade Marks Registry during a particular period, namely the half year ending August, 1953. I, however, understand that even these have since then shown considerable increase. Furthermore, the number of communications received cannot be any criterion for estimating the amount of work to be done by the staff as in many cases each letter might pertain (and I understand this to be the case) not to a single application but to a number of them. A single letter of request for the recording of an assignment or a change of an entry in the Register might relate not to one mark but to several. Naturally, in these cases the time taken will be more than where the letter relates only to one trade mark. Taking all factors into consideration the present staff appears to be required by the Registry for the normal day to day work as could be seen from the following brief notes:

Examiners of Trade Marks.— The sanctioned strength of Examiners at Bombay is 16 but the Reorganisation Unit has recommended a strength of only 7. Subsequent to the examination by the Reorganisation Unit, the Examiners have, on the suggestion of Mr. Whyman, started racking cross searches which involves considerable labour and time. The Reorganisation Unit had estimated that on an average each Examiner can examine 5 applications per day but that was without cross searches. If these also had to be made, an Examiner can at the most complete no more than 3 applications per day. On the basis of 3 applications per day, for examining 5,000 applications and 1,000 amended cases per year 8 Examiners are required taking the number of working days in a year to foe 250. For examining 2,000 requests on form TM-54 at least 2 more Examiners would be required. One Examiner has to be in charge of the Opposition Section, one in charge of the Journal section, one in charge of the Register section, one in charge of the Renewal and Post Registration section and one for the Correspondence section and one as Leave reserve thus making a total of 18 which is the sanctioned strength of the Registry. I do not therefore see any room for reduction in the examining staff at Bombay.

Assistant Examiners.— The sanctioned strength of Assistant Examiners is 19. They are distributed as follows: Correspondence section (8); Opposition section (1); Register section (2); Post Registration section (1); Renewal section (2); Journal section (3) and Leave Reserves (2). Eight Assistant Examiners are now stated to be in the Correspondence section their duty
being mainly to examine the replies received from the applicants with regard to the objections raised by the office and put them up with suitable notes to the Registrar. This is a technical work and from the specimens of the correspondence with the applicants which have been shown to me I am satisfied that the disposal of these letters more often than not takes time. The Journal section which deals with the compiling of manuscripts for publication of the Trade Marks Journal and correcting proofs etc. might properly require 3 Assistant Examiners, the Register section which is concerned, with the making of entries in the Register and the issue of certificates another 2, while the Renewal section a similar number, The Post Registration Section which deals with assignments and notices relating to post registration matters and the Opposition section might each have an Assistant Examiner. The total strength of 19 Assistant Examiners would not therefore appear to be in excess of the actual needs.

Superintendents.— I understand there are two Superintendents in the Registry one being in charge of establishment matters, while the other is in charge of miscellaneous matters such as stationery, forms, accounts etc., and attending to oral inquiries by the public. The two Superintendents would therefore appear to be necessary.

Assistant Superintendents.— While the sanctioned strength of this cadre appears to be 4, only three of them appear to be employed the remaining post being vacant. One is in charge of the Indexing Section, one is in the Establishment section and the third is in the Post Registration Section. The present strength would therefore appear sufficient.

Upper Division Clerks: (Assistants and Higher Grade Clerks).— The total sanctioned strength of this group is 60 out of which the Reorganisation Unit has recommended the retention of only 28. The distribution of Upper Division Clerks is stated to be as follows: Indexing Section 3 (one for Registered Marks, one for pending indexes and one for name and terminological index). Correspondence Section 18 (4 for communicating preliminary orders; 4 for communicating amended orders; 1 for advertisement before acceptance of cases; 1 Hearings; 2 Miscellaneous inquiries; 3 T.M.-54 Section; 2 Abandonment notices; 1 Specific powers, General powers, exhibits etc.). Opposition section 5; Advertisement section 4; Registration section 2; Post Registration section 2. Renewal section 1. Administration section 14 (for preparation of pay bills, supplementary bills, Provident Fund, Leave account etc. 2; Establishment matters, maintenance of service books etc. 2; Filing 1, Journals, Stationery and Forms 1, Trade Marks Agents, Correspondence with Government etc. and miscellaneous files 1; Search Room 2; Certificates (under section 75) 2; In charge of typing section 1; Diarising applications, preparing acknowledgments receipt and preparing statistics of applications 2). Six upper division clerks are stated to be engaged in the preparation of new indexes. The remaining 5 posts might also appear to be necessary as Leave Reserves.

Lower Grade Clerks and Typists.— In this group there appear to be 29 Lower Grade Clerks, 1 Assistant Cashier and 14 Typists. The Reorganisation Unit has suggested a retention of only 28 posts thus effecting a reduction of 16 posts. The typing work in the Registry must for very heavy and the number of typists now sanctioned would not seem to be excessive.

So far as Lower Grade clerks are concerned; I do not consider that the number now employed is excessive, having regard to the work to be done.
## PRESENT ORGANISATION UNDER THE PATENT & DESIGNS ACT AND UNDER THE TRADE MARKS ACT

<table>
<thead>
<tr>
<th>Patent Office</th>
<th>Trade Marks Registry</th>
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<tbody>
<tr>
<td>Controller of Patents &amp; Designers</td>
<td>Registrar of Trade Marks</td>
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<td>Bangalore Branch</td>
</tr>
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</tr>
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<td>Deputy Registrar of Trade Marks</td>
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<tr>
<td>1 Examiner of Patents in-charge</td>
<td>1 Examiner of Trade Marks</td>
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<td>1 Deputy Registrar.</td>
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<td>20 Superintendents.</td>
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<td>4 Assistant Examiners.</td>
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<td>1 Assistant Superintendents</td>
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Appendix – IV
PROPOSED ORGANISATION OF THE COMBINED PATENT AND TRADE MARKS OFFICES.

Controller General of Patents, Designs & Trade Marks.

<table>
<thead>
<tr>
<th>Calcutta Office</th>
<th>Madras</th>
<th>Bangalore</th>
<th>Nagpur</th>
<th>Delhi</th>
<th>Cawnpore</th>
<th>Bombay Office</th>
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<tr>
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<td>Assistant Controller (Patents)</td>
<td>Assistant Controller (Trade Marks)</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Assistant Controller (Patents)</td>
<td>Assistant Controller (Trade Marks)</td>
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<tr>
<td>Examiner of Patents incharge.</td>
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</tr>
<tr>
<td>7 Examiners</td>
<td>1 Examiner</td>
<td>1 Examiner (Par. &amp; T. M.)</td>
<td>1 Examiner (Par. &amp; T. M.)</td>
<td>1 Examiner (Par. &amp; T. M.)</td>
<td>1 Examiner (Par. &amp; T. M.)</td>
<td>15 Examiners</td>
</tr>
<tr>
<td>11 Assistant Examiners</td>
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<td>2 Assistant Examiner</td>
<td>1 Assistant Examiner</td>
<td>18 Assistant Examiners</td>
</tr>
<tr>
<td>Superintendents, Assistant Superintendents and Subordinate Staff.</td>
<td>Subordinate Staff.</td>
<td>Subordinate Staff</td>
<td>Subordinate Staff</td>
<td>Subordinate Staff</td>
<td>Subordinate Staff</td>
<td>Superintendents, Assistant Superintendents and Subordinate Staff.</td>
</tr>
</tbody>
</table>
Mr. Justice N. Rajagopala Ayyangar.

Shri Nivas,
Kasturiranga Iyengar Road,
Teynampet,
Madras—18.

Scindia House,
Ballard Estate,
P.O. Box 409 Bombay—1.

Dear Sir,

I thank you far the opportunity you gave me on 10th May, 1953, to discuss some aspects of the Trade Marks Enquiry Committee’s Report. I am particularly grateful to you for the patient and sympathetic hearing you gave me and the keen interest you showed in understanding the nature of the problems involved. As agreed, at the Interview, I am now submitting a brief memorandum.

Special Tribunal.— At the very outset, allow me to repeat that the recommendation for a Special Tribunal to deal with trade marks, copyrights and patents was in no way intended and should not be interpreted as an adverse reflection on the integrity of our judiciary We are as keen as anyone else to defend the honour and prestige of our judiciary. The recommendation that we have made for a revised structure of the judicial machinery for the purposes of administering the law relating to trade marks does not in any way seek a replacement of the judiciary by any other body of men; but on the other hand, it contemplates that the new structure should be manned by judges of the status and training of High Court Judges. We have been motivated only by a desire to see that the quality of judgments in a complicated and developing field of law, at least in the formative stage, is maintained at the highest.

Although the Trade Marks Act has been before the country for the last 15 years, it is still true to say that, in view of the hitherto arrested development of the Indian Industrial economy, there has been scant recognition by the general public of industrial property as valuable
property. The provisions of this Act have not been a matter of day-to-day interest to the members of the bar except to a small hand of lawyers in a few cities like Bombay, Calcutta, Madras and Bangalore. With the great emphasis now placed on the rapid industrialisation of the country, problems relating to industrial property are receiving increasing recognition, and I, therefore, feel that this is a formative stage in the development of this branch of law in India, although it has a fairly long and rich history of judicial interpretation and case-law in Western countries. In this formative stage, when the number of traders and manufacturers using the different forms of industrial property is daily increasing and the problems pertaining to the determination of the limits of their respective rights are becoming many and sharp, it appears to me most essential that the quality of judgments should be of the highest, that every emphasis should be placed on achieving uniformity in the administration of industrial property laws and that costly and protracted litigations should be avoided so that parties would be able to proceed with their activities without being in suspense about their rights. This is one of the considerations which induced me to agree with my colleague that Judges of the training and status of High Court Judges should be entrusted with the task of administering these laws at least for a period of say 10 years, during which they would be able to lay secure foundations for the administration of this branch of the law, and we may also legitimately hope that a well trained bar and a disciplined business community, conscious of the limits of their respective rights, would emerge.

You will appreciate that, at present, actions relating to “passing off” can be dealt with in courts subordinate to District Courts, while infringement actions under the Act are to be initiated in District Courts and rectification matters are to be dealt with in High Courts. Very often all these three aspects come up for consideration in the same trial. It would be in the interests of the parties that the same Judge should be able to try all these aspects. I feel that, in the circumstances in which India finds herself, it would not be desirable to take away the jurisdiction over rectification matters from High Courts and vest them in the District Courts. On the other hand, it is better to combine the infringement and rectification matters in one trial before a Judge of a High Court. Where an action is exclusively one for passing off, it may be tried by any of the Courts now competent to try it but in ease the recommendation for a Special Tribunal manned by High Court Judges is accepted, passing off actions can also be tried before that Tribunal, which may then be vested with the exclusive jurisdiction in regard to all matters pertaining to trade marks and other forms of Industrial property.

While we take steps to improve the quality of judgments and lay secure foundations for the administration of this branch of the law in the above manner, we have to reckon with the fact that parties may find it costly or difficult to come to the city where the High Court is located. Hence the necessity for a circuit court or in other words, the High Court Judge, assigned to deal with industrial property, holding sessions in any part of the State where the matter may conveniently be heard. This implies that the ordinary original jurisdiction of the High Court in regard to infringement and rectification matters should be the whole of the State and that the Judge assigned for the time being to this branch should have the freedom to hold sessions anywhere in the State.

Large corporations with substantial financial resources can command the services of the best lawyers and can afford to agitate their cases from stage to stage to the highest tribunal in the country. This is not open to the large number of owners of industrial property who are either small or medium sized business enterprises. In such a situation, and more so when there
is not an informed and well trained bar in this branch of the law, these medium and small sized business enterprises have to rely entirely on the trying Judges to overcome the deficiencies of the system and render justice. This is another reason for entrusting, at least during the next 10 years, the administration of this branch of the law to judges of the status and experience of High Court Judges.

Registration confers a right for the whole of India. An adverse decision against a registered proprietor, given by a judge of the trial Court in an infringement action, will therefore, affect his rights all over India and this again vindicates the need for entrusting the jurisdiction in such a vital matter upon a judge of the status and experience of High Court Judges. As stated earlier, the majority of trade mark owners are not able to afford the expenses of having the matter considered in appeal at several stages.

If the above considerations weigh with you, one solution would be to vest the jurisdiction in regard to infringement and rectification matters in the High Courts and to have a Judge of each High Court assigned for dealing with such matters. Another solution would be to have the Judges of some High Courts, so assigned, to have jurisdiction over zones, each comprising of more than one State. Such zonal jurisdiction would obviously imply that the judge concerned would be a special Tribunal for that zone and that all the Judges so assigned will together constitute a special Tribunal for the whole of India.

It has also been suggested that the machinery for the administration of the law on trade marks, copyrights, patents and designs should be integrated and that there should be one Controller for the whole of India. This is a suggestion which we have heartily supported in our Report. This integrated registry will undoubtedly have to open branches in several places in India with Deputy Controllers functioning in each such branch office and having jurisdiction over a zone comprising of more than one State. These zonal Deputy Controllers could function as Special Tribunals for their respective zones from whose decisions appeals would then lie to the Chief Controller. It is assumed that these officials will have the requisite training and experience in the administration of general law, as also in the scientific and business aspects of the problems they will be called upon to decide. This may be another way of concentrating the experience in the administration of this branch of the law in one body of men; and the appeals from the decisions of the Chief Controller may then be to a few selected High Courts in whose jurisdiction the zonal registries are situate.

Defensive Registration.— At present, “passing off” actions can be taken not only when the defendant uses the mark complained of on the same articles as those on which the plaintiff uses his mark but also when it is used on any other article which is of the same description. Under the Trade Marks Act, an infringement action can only be taken if the defendant uses the mark complained of on the same article as that on which the plaintiff has obtained registration of his mark. Hence apparently the field of protection covered by common law and statute law are not the same, unless registration is accorded defensively in regard to articles of the same description as that on which the applicant in fact uses his mark. For purposes of registration under the Act, it is relevant to consider the question whether the articles for which registration is sought by a person are of the same description as that for which another applicant has sought or has obtained registration. In other words, the scheme of the Act is that infringement action should be a quick and speedy one and, for that purpose, be confined to use of marks on the same goods as that for which the plaintiff has obtained registration. The provisions relating to registration, therefore, include defensive registration.
What is now sought is that the scope of the defensive registration should be extended so that the held of protection covered by common law and statute law would be the same not only for invented marks but also for all other marks except those which are specifically excluded in our report.

A “passing off” action, although at present open to the aggrieved parties, is a long and cumbrous one in so far as elaborate evidence of title to the mark has to be led every time. Registration would transfer to the Registrar the question of settling the title and would enable a person to have his title established against all parties before the Registrar. This is one of the primary reasons for trade mark owners feeling that the Common Law remedy is inadequate and costly and that registration should be granted so as to cover the same field as presently covered by Common Law.

Another advantage that would accrue from extending the scope of defensive registration would be to have the Registrar decide the question of what articles are of the same description. As it is, the Registrar is making such decisions in Opposition proceedings. The same issue can also be agitated before any competent civil Court in passing off actions, and there is possibility of decisions therein being in conflict with the decisions of the Registrar. While tests for deciding, whether or not two articles are of the same description, are more or less clearly laid down in decided cases, there can be considerable difference of opinion in the conclusions to be drawn on the application of these tests. It is submitted that the decision of the Registrar in this behalf should only be overruled by a superior Court. It is his special function to keep himself informed of the changing patterns of trade and processes of manufacture which affect the question of what articles are of the same description, and therefore, he is the fully competent person to decide the issue.

It is easier and less costly for parties to agitate the issue before the Registrar, than before an ordinary Court of law, as to what articles are of the same description. If any one is aggrieved from his decision, an appeal would lie in the normal course to a competent High Court.; In this connection, I have pleasure in forwarding herewith copy of a paper read by Mr. Shavaksha on the subject of “Defensive Registration of trade marks”.

It would also be of interest to refer here to a recent decision given by Mr. M. Bhattacharya, District Judge, 24 Parganas Calcutta, in a complaint lodged by Bata Shoe Company Ltd. against a firm which was carrying on business in lungis and handkerchiefs under the name of “Bata Products”. I have not yet received a certified copy of the Court’s order, but I have with me a paper cutting from the “Amrit Bazar Patrika” of the 6th May, 1955, which is enclosed herewith. The point I would urge is that there are Common Law-remedies and what is sought to be done is to have these remedies available under the Trade Marks Act.

Amendment to Criminal Law.— In considering the provisions of the Penal Code, we have to take into account the special conditions prevailing in India. It is generally admitted that the incidents of Infringements and counterfeits in the country is very high and that drastic steps ought to be taken to root out this evil. The existing machinery has not been satisfactory, as in the majority of cases, private parties are unable to trace the offenders. As long as many consumer articles and small parts used in big industries are manufactured on a small scale, the temptation to copy well known trade marks will remain. It is, therefore, clear that the present high incidence of infringements and counterfeits is likely to continue for scene length of time and that measures ought to be devised to meet the situation.

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The Criminal law has also got to be brought into line with the situation arising from registration of many trade marks. It should become more or less obligatory on the part of every person to consult the Trade Marks Registry before he propounds or uses a new mark. The Trade Marks Registry has been in existence now for nearly 13 years. It is, therefore, suggested that the offence of violating a registered trade mark, which is actually in use, should be treated as graver than, the offence of violating an unregistered trade mark.

Public opinion is also favour of following the pattern of the present provisions of the Penal Code and distinguishing (for the purposes of punishment) between deceptive imitations based on the degree of similarity to the complainant’s mark. Our recommendations in regard to the Penal Code are based on these considerations.

Long before the formation of the Trade Marks Owners’ Association, the Government of India suggested in their letter Mo. 118(2)-Law (Tm)/50 dated the 14th August, 1951, addressed to the Federation of Indian Chambers of Commerce & Industry, that all the State Governments were being advised to take cognisance of offences relating to trade marks as if they were cases of cheating, under section 420 of the Penal Code. We had then pointed out to the Government that this was not a satisfactory procedure and that the Government should go forward with making the offences cognizable instead of endeavouring to take cognizance of the matters under a section not intended for the purpose. What is important to note here is that the Government of India did recognise the need for police intervention in investigating offences relating to trade marks. Some time thereafter, many State Governments also issued communiques advising the public that steps were being taken to take cognizance of these offences under section 420. A copy of the press note issued by the Government of Madras and published in the “Hindu” of 17th January, 1953, is enclosed. I am not immediately able in lay my hands on the press notes issued by the other Governments.

I would also invite your attention to a news item in “The Hindu” of 11th January, 1955 (press cutting enclosed) showing that the Ministry of Industries, U.P. Government, was proposing to bring into being a special branch to unearth the racket in spurious articles, such as food and drugs. These are all indications of the general recognition by the Central and State Governments that, without the intervention of the police, it is not possible for private parties to trace the offenders or seize the offending materials.

I am also enclosing a few press cuttings to show how successful actions were taken whenever the police intervened against offenders in respect of a wide variety of articles, such as watches, toilet pre-partitions, soaps, playing cards, mantles, bidis, thread and spices, apart from drugs and foods. I shall he grateful if you will return to me these press cuttings after perusal.

As a matter of general interest, I am also enclosing a copy of a memorandum dated 25th July, 1950 submitted by the Indian Merchants Chamber, Bombay to the Government of India, Ministry of Commerce. I would invite your attention to items 5 and 6 on page 4, only to show how many years prior to the formation of the Enquiry Committee, certain suggestions had been placed before the public and the Government by Chambers recognised as champions of Indian interests.

Certification Trade Marks.— Since the Report was submitted there has been occasion to exchange correspondence with the Indian Standards Institution regarding their certification marks rules. The position taken up by the Indian Standards Institution is the same as that
taken up by the Agmark authorities. Other Governmental or Quasi-Governmental bodies, such as the Export Promotion Councils, Village Industries Boards, etc. are also adopting certification marks. The present tendency is that all these Governmental or Quasi-Governmental institutions treat their Certification marks as a privileged group. This is totally undesirable as such institutions may very well adopt marks which are in conflict with those of private citizens. The adoption of such marks may even turn out to be expropriatory, and to that extent, may be challenged in Courts of law leading to unnecessary litigation.

While my Association has obtained certain assurances from the Indian Standards Institution that they will take steps not to infringe private rights in trade marks, they have not adopted a satisfactory machinery for the purpose. The best solution is for them to be on the same level as private citizens in regard to the propounding and using of Certification Marks. The other solution would be for the person who holds the position of Registrar of Trade Marks being appointed also the authority, who would act for the Indian Standards Institution, the Agmark Council, etc. In other words, the function of approving Certification Marks of any kind must vest in the person who is the Registrar of Trade Marks and be must be free to follow the same procedure as prescribed in the Trade Marks Act. He may be conferred this authority under one or more Acts.

In conclusion, I wish to thank you once again for the opportunity I had of discussing matters with you.

Yours sincerely,

K.T. CHANDY