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A critical analysis on non-use of trademarks in India

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Abstract

Although safeguarding unregistered trademarks without any direct or significant sales in India presents several challenges for rights holders, the courts are beginning to adopt a more lenient stance. Maintaining brand equity presents a variety of issues for rights holders. Updates to various features are necessary to keep businesses engaging and new in the face of shifting consumer preferences. Right holders prioritise protecting the principal mark over all other marks and elements, such as colour, representation, and tag lines, due to financial constraints. These extra components occasionally might not be eligible for protection at the moment of adoption, but they have the potential to acquire secondary significance over time.

Copycats follow closely following trademarks and their characteristics as they gain popularity. A rights holder often faces direct mark infringement when rival products use the same mark, when parts of the mark are used without permission, or when the mark is used on entirely unrelated items. These days, a trademark is quite important for identifying products and services according to their calibre. A trademark is a type of good and reputation that is associated with a supplier of products or services, and it helps the customer recognise them by giving them a particular mark. It is capable of being produced legally since it is a form of intellectual property. Infringement of trademark rights is considered passing off for unregistered trademarks and infringement for registered trademarks. In India, remedies for trademark infringement include account for profit, damages, and injunction. The Indian Trade Mark Act of 1999 now governs trademarks in India.

Keywords: Trademark protection, intellectual property, efficient legal system, investigative study, current law

1. Introductions

The non-use of trademarks in India is an important issue in the field of intellectual property law. Trademarks are essential for businesses to protect their brand identity and goodwill. However, in India, if a trademark is not used for a continuous period of five years, it may be subject to removal from the register. One of the key aspects of trademark law in India is the concept of non-use cancellation. According to the Indian Trademarks Act, 1999, a trademark can be removed from the register on the grounds of non-use if it has not been used in relation to the goods or services for which it is registered for a continuous period of five years. This provision is aimed at preventing the hoarding of trademarks without any genuine intention to use them in the market ^[1].

Non-use cancellation proceedings in India are initiated before the Intellectual Property Appellate Board (IPAB) ^[2] or the respective Registrar of Trademarks. The burden of proof lies with the party seeking cancellation to demonstrate that the trademark in question has not been used for a continuous period of five years. It's important for trademark owners in India to ensure that their trademarks are actively used in commerce to maintain their validity and prevent the risk of non-use cancellation. Genuine use of a trademark can include various activities such as affixing the trademark on goods or their packaging, using the trademark in advertising or promotional materials, or using the trademark in business correspondence.

¹ Law Relating to Intellectual Property Rights by P. Narayanan, LexisNexis, 2020. P. 45

² Established in September 1958, the Intellectual Property Appellate Board is a quasi-judicial entity. The entire country of India is under the Copyright Board's authority. The Board's responsibilities include resolving conflicts about copyright registration, copyright transfer, licencing works kept from the public, unpublished Indian works, and producing and publishing translations and works for specific purposes. In addition, cases in various unrelated topics brought before it under the Copyright Act of 1957 are heard by it.

In recent years, the issue of non-use of trademarks has gained attention in India due to the increasing number of trademarks being registered without any genuine intention to use them. This has led to concerns about cluttering the trademark register and hindering the registration of genuinely intended trademarks by others. To address this issue, the Indian government and the Intellectual Property Office have been taking steps to streamline the trademark registration process and to encourage genuine use of trademarks. Additionally, there have been efforts to raise awareness among trademark owners about the importance of actively using their trademarks in commerce to avoid non-use cancellation.

The non-use of trademarks in India is a significant issue that has implications for both trademark owners and the overall integrity of the trademark register. It is essential for businesses to be mindful of the requirement to actively use their trademarks to maintain their validity and prevent the risk of non-use cancellation. Moreover, ongoing efforts by the authorities to address this issue are aimed at promoting a more robust and efficient trademark system in India^[3].

Trademarks play a pivotal role in safeguarding the identity and reputation of businesses, serving as distinctive symbols that distinguish their goods and services in the marketplace. By associating specific marks with quality and reliability, trademarks foster consumer trust and loyalty, thereby contributing significantly to the establishment and maintenance of brand identity and goodwill. In the context of India's intellectual property landscape, it is imperative to understand the implications of non-use concerning trademarks. Under Indian trademark law, non-use of a trademark for a continuous period can lead to its removal from the official register. This legal provision aims to discourage the stockpiling of trademarks without genuine intentions of utilizing them in commerce, thereby promoting fair and efficient trademark registration practices.

Maintaining the active use of trademarks is not only a legal obligation but also a strategic imperative for businesses. By ensuring consistent and genuine use of trademarks, entities can safeguard their registered marks from potential removal and preserve their exclusive rights to utilize and protect their brand assets. This proactive approach serves to uphold the integrity of the trademark system and reinforces the value of trademarks in the Indian marketplace. As we delve deeper into the nuances of non-use and its ramifications in the Indian trademark landscape, it becomes evident that the proactive and authentic utilization of trademarks is paramount for businesses seeking to preserve their distinctive brand identities and protect their market presence^[4].

Overview of the Importance of Trademarks in Protecting Brand Identity and Goodwill: The importance of trademarks in protecting brand identity and goodwill cannot be overstated, particularly in the context of modern commerce and consumer trust. Trademarks serve as the visual, symbolic representations of a company's brand, products, and services. They are fundamental assets that

embody the goodwill, reputation, and distinctiveness of a business in the marketplace. Here's an overview of their significance:

1. Distinctive Identification

Trademarks, whether in the form of logos, brand names, or symbols, provide a means for consumers to identify and distinguish the products or services of one business from those of others. This distinctiveness is crucial for building and maintaining a loyal customer base^[5].

2. Consumer Trust and Assurance

Well-established trademarks create a sense of familiarity and trust among consumers. They serve as indicators of quality, consistency, and reliability, thereby influencing consumer purchasing decisions and fostering brand loyalty.

3. Competitive Advantage

Strong trademarks confer a competitive edge in the market by differentiating products and services from those of competitors. They help businesses stand out and carve a unique identity in the crowded marketplace.

4. Legal Protection

Trademarks offer legal protection against unauthorized use or infringement, empowering businesses to take legal action against those who seek to capitalize on their brand equity through deceptive practices^[6].

5. Brand Expansion and Licensing

Established trademarks enable businesses to extend their product lines and enter new markets by leveraging the recognition and goodwill associated with their brand.

In essence, trademarks are indispensable assets, serving as the cornerstone of brand identity, consumer trust, and market positioning. Their importance extends beyond mere symbols; they encapsulate the values, promises, and reputation of businesses, contributing significantly to their success and longevity in the marketplace.

Importance of Maintaining Active Use of Trademarks to Prevent Removal from the Register: Maintaining active use of trademarks is crucial for preventing their removal from the register for several reasons:

1. Protecting against non-use cancellation

In many jurisdictions, including the United States, the European Union, and other countries, a trademark can be vulnerable to cancellation if it is not used for a certain period of time. By actively using a trademark in commerce, a brand owner can demonstrate to the trademark office and potential challengers that the mark is still in use and should remain on the register.

2. Preserving rights and exclusivity

Active use of a trademark helps maintain the owner's exclusive rights to the mark. By consistently using the mark in connection with goods and services, a trademark owner

³ Trade Marks Law Manual by Justice Prabha Sridevan, Eastern Book Company, 2019, p. 45

⁴ Pravin Anand, "Non-use of Trademark as a Ground for Cancellation: Indian Position" Journal of Intellectual Property Rights. Published Year: 2015.

⁵ Law Relating to Intellectual Property Rights by P. Narayanan, LexisNexis, 2020, P. 112

⁶ Dr. Sudhir Ravindran, "Use It or Lose It: The Concept of Non-Use of Trademarks". Indian Journal of Intellectual Property Law. Published Year: 2018

can continue to assert their rights against potential infringers and strengthen their position in legal disputes ^[7].

3. Building and preserving brand value

Active use of a trademark is essential for building and preserving brand recognition and value. Brands that are actively used in the marketplace are more likely to maintain their distinctiveness and consumer recognition, which is essential for long-term brand success.

4. Defending against challenges

In the event that a third party challenges a trademark's validity, evidence of ongoing use can be a powerful defence. Demonstrating continuous use of the mark in commerce can help to rebut claims of non-use and strengthen the owner's position in legal proceedings.

5. Avoiding abandonment

Failure to use a trademark for an extended period of time can lead to the mark being deemed abandoned. If a trademark is abandoned, it can lose its legal protection, and others may be able to adopt and register confusingly similar marks.

For the reasons mentioned above, it's important for trademark owners to actively use their marks in commerce and to keep detailed records of such use to demonstrate the ongoing commercial significance of their trademarks.

Non-Use Cancellation in Indian Trademark Law, 1999

Section 47 of the Indian Trademarks Act, 1999, contains the provision for non-use cancellation. The section outlines the grounds on which a registered trademark may be removed from the register due to non-use. Here is an explanation of the provision.

1. Non-Use Period

According to Section 47, a registered trademark in India may be subject to cancellation if it has not been used in relation to the goods or services for which it is registered for a continuous period of five years from the date of its registration.

2. Exception for Special Circumstances

Section 47 also provides an exception for special circumstances that may prevent the use of the trademark ^[8]. If the non-use of the trademark is due to special circumstances, such as obstacles beyond the control of the trademark owner, the non-use may not be considered as grounds for cancellation. These special circumstances may include import restrictions, legal restrictions, or any other genuine reasons for non-use ^[9].

3. Petition for Cancellation

If a third party wishes to seek the cancellation of a trademark registration based on non-use, they can file a petition with the Intellectual Property Appellate Board (IPAB) or the appropriate court. The petitioner would need

to provide evidence to demonstrate that the registered trademark has not been used for a continuous period of five years and that there are no valid reasons for non-use based on special circumstances.

4. Consequences of Non-Use Cancellation

If a trademark is cancelled due to non-use, it may lose its legal protection and exclusive rights. Additionally, the cancellation may open the door for other parties to adopt and register similar or identical trademarks for similar goods or services ^[10].

It's important for trademark owners in India to be aware of the non-use cancellation provisions and to maintain sufficient evidence of trademark use in commerce to defend against potential non-use cancellation challenges. Regular and genuine use of the trademark in connection with the goods or services for which it is registered is essential for maintaining the validity and enforceability of the trademark registration in India.

Description of the grounds and criteria for removing a trademark from the register due to non-use:

The grounds and criteria for removing a trademark from the register due to non-use can vary depending on the jurisdiction, but I can provide a general overview of what this typically entails.

Non-use of a trademark refers to a situation where a registered trademark is not actively used in commerce for a certain period of time. In many jurisdictions, including the United States and the European Union, non-use of a trademark can be grounds for removal from the register. Below are some common grounds and criteria for removing a trademark from the register due to non-use.

1. Period of Non-Use

Trademark laws typically specify a period of non-use after which a trademark may be subject to removal from the register. In many jurisdictions, this period is usually around 3 to 5 years, but it can vary.

2. Lack of Genuine Use

The trademark owner must demonstrate genuine use of the trademark in commerce during the relevant period. Genuine use generally means use of the trademark in connection with the goods or services for which it is registered, and such use must be more than token use ^[11].

3. Proof of Use

In the event of a challenge to the registration based on non-use, the trademark owner may be required to provide evidence of use of the trademark in commerce, such as sales figures, advertising materials, invoices, or other documentation that shows the use of the trademark in the relevant market.

4. Defences

In some jurisdictions, there may be defences available to a trademark owner facing a non-use challenge. For example, the owner may be able to demonstrate valid reasons for non-use, such as special circumstances that prevented the use of

⁷ Intellectual Property Rights: Infringement and Remedies by Justice Yatindra Singh, Thomson Reuters, 2018. p. 67

⁸ The conditions that must be met are outlined in sub-sections 1(a) and 1(b) of Section 47, which deal with the cancellation of a trademark registration due to non-use. The aggrieved party, referred to as the Petitioner, must meet these requirements in order to institute legal action.

⁹ Section 47 (1) of the Trademarks Act, 1999

¹⁰ Trade Marks Law Manual by Justice Prabha Sridevan, Eastern Book Company, 2019. p. 188

¹¹ Shubha Ghosh, "The Economics of Non-Use: A Critical Approach to Trademark Law". Journal of Intellectual Property Law & Practice. Published Year: 2017

the trademark ^[12].

5. Revocation Proceedings

In some jurisdictions, the process for removing a trademark from the register due to non-use involves revocation proceedings before the trademark office or a specialized tribunal. During these proceedings, evidence is presented and both parties have the opportunity to make their case.

It's important to note that the specifics of non-use requirements and procedures can vary by country and region. Therefore, anyone concerned about non-use of a trademark should consult with a qualified intellectual property attorney or agent familiar with the laws and practices in the relevant jurisdiction.

Overview of the Regulatory Bodies Responsible for Non-Use Cancellation Proceedings: The regulatory bodies responsible for non-use cancellation proceedings can vary by jurisdiction. Below is an overview of some of the regulatory bodies commonly associated with non-use cancellation proceedings in certain key jurisdictions?

1. United States

In the United States, the United States Patent and Trademark Office (USPTO) ^[13] is responsible for overseeing trademark registrations and cancellation proceedings. The Trademark Trial and Appeal Board (TTAB)¹⁴ is a specialized administrative tribunal within the USPTO that handles cancellation and opposition proceedings. Non-use cancellation proceedings in the U.S. are generally brought before the TTAB.

2. European Union

In the European Union, the European Union Intellectual Property Office (EUIPO) ^[15] is the regulatory body responsible for trademark registrations and cancellations. EUIPO's Cancellation Division handles cancellation proceedings, including those based on non-use of

¹² Pravin Anand, Non-use of Trademark as a Ground for Cancellation: Indian Position. Journal of Intellectual Property Rights. Published Year: 2015

¹³ The government organisation in charge of awarding American patents and registering trademarks is the United States Patent and Trademark Office (USPTO). The USPTO carries out the legislative branch's duty under Article I, Section 8, Clause 8 of the Constitution, which states that it shall "promote the Progress of Science and useful Arts, by securing for limited Times the exclusive Right to their respective Writings and Discoveries to Authors and Inventors." The commerce clause (Article I, Section 8, Clause 3) of the Constitution serves as the basis for trademark registration by the USPTO.

¹⁴ Trial cases of different kinds involving applications or registrations, appeals from expungement or re-examination procedures involving registrations, and appeals involving applications to register marks are all handled by the Trademark Trial and Appeal Board (TTAB).

¹⁵ The European Union (EU) organisation in charge of overseeing EU trade marks (EUTMs) and registered designs (RCDs) is the European Union Intellectual Property Office (EUIPO). As a vital facilitator to the European Observatory on Infringements of Intellectual Property Rights, the European Union Intellectual Property Network (EUIPN), and an increasing number of EU-funded projects run under contribution agreements with the European Commission, the EUIPO promotes European and international cooperation in the field of intellectual property (IP).

trademarks.

3. India

In India, the Intellectual Property Appellate Board (IPAB) ^[16] used to be responsible for hearing appeals from the decisions of the Registrar of Trademarks. However, as of my knowledge cutoff in September 2021, the IPAB had been non-functional due to certain legal and administrative challenges. The High Courts in India have taken over the jurisdiction of the IPAB for the time being. The Registrar of Trademarks in India is responsible for the examination of trademark applications and can also be involved in non-use cancellation proceedings.

4. United Kingdom

In the United Kingdom, the Intellectual Property Office (IPO) ^[17] is responsible for trademark registrations and cancellations. The IPO oversees cancellation proceedings, including those related to non-use of trademarks.

5. Canada

In Canada, the Canadian Intellectual Property Office (CIPO) ^[18] is responsible for trademark registrations and cancellations. The Trademarks Opposition Board (TMOB) ^[19] is a specialized administrative body within CIPO that handles opposition and section 45 proceedings, which are akin to non-use cancellation proceedings in Canada.

These are just a few examples, and the regulatory bodies involved in non-use cancellation proceedings can vary in other jurisdictions. It's important to consult the specific laws and regulations of the relevant country or region to understand the procedures and authorities involved in non-use cancellation proceedings for trademarks.

Conclusion

In conclusion, the non-use of trademarks in India presents significant challenges and concerns for both trademark owners and the integrity of the trademark system. These challenges include the loss of distinctiveness, vulnerability to cancellation, cluttering of the trademark register, impediments to competition, inefficient resource allocation, and the potential for trademark trolling. Efforts to address these challenges require a comprehensive approach, including measures to incentivize genuine use of trademarks, streamline the trademark examination process, and discourage speculative or abusive trademark registrations. Raising awareness about the importance of maintaining active use of trademarks and enforcing the legal

¹⁶ Ibid

¹⁷ On April 2, 2007, The Patent Office changed its operating name to The Intellectual Property Office. Although the patent system has been around for 400 years, the Patent Office was established in 1852 to award patents.

¹⁸ Innovation, Science and Economic Development Canada's special operating agency is the Canadian Intellectual Property Office (CIPO). They provide intellectual property (IP) services in Canada and teach people there about better IP usage.

¹⁹ Regarding opposition procedures and section 45 proceedings, the Trademarks Opposition Board (TMOB) represents the Registrar in these matters. The chairperson, members, hearing officers, manager, and clerks make up the TMOB. The Registrar has granted the chair, members, and hearing officers the power to conduct hearings and make judgements in accordance with the Trademarks Act and Trademarks Regulations.

provisions related to non-use is also crucial.

Overall, promoting genuine use of trademarks and maintaining a clean and efficient trademark register are essential for the fair and efficient operation of the trademark system in India. By addressing the issues related to non-use, India can enhance the integrity of its trademark system, support fair competition, and provide a more conducive environment for businesses to protect and leverage their intellectual property rights.

Key Points Related to the Non-Use of Trademarks in India

1. Emphasis on Active Use

Actively using trademarks is crucial to maintain their validity and prevent non-use cancellation. Non-use for a continuous period of five years from the date of registration can make a trademark vulnerable to cancellation, highlighting the importance of genuine use in commerce.

2. Impact on Trademark Integrity

Non-use of trademarks can lead to a loss of distinctiveness, weakening of rights, cluttering of the trademark register, and impediments to fair competition. It can also create opportunities for abusive practices such as trademark trolling.

3. Ongoing Efforts for Improvement

Ongoing efforts are being made to promote a more robust and efficient trademark system in India. These efforts may include incentivizing genuine use of trademarks, streamlining the trademark examination process, and enforcing legal provisions to discourage speculative or abusive trademark registrations^[20]

By emphasizing the importance of active trademark use and implementing measures to address non-use, India aims to enhance the integrity of its trademark system, support fair competition, and provide a conducive environment for businesses to protect and leverage their intellectual property rights.

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²⁰ Intellectual Property Rights: Infringement and Remedies by Justice Yatindra Singh, Thomson Reuters, 2018. p. 128