



# LAW RELATING TO TRADEMARKS PART-7

# Registration to be Prima Facie Evidence of Validity

Section 31 of the Act stipulates that in all legal proceedings relating to trade mark registered under the Act, the original registration and all subsequent assignments and transmission thereof shall be prima facie evidence of its validity.

However, as per Section 34 the proprietor or a registered user of a registered trademark is not entitled to interfere with or restrain the use by any person of a trademark identical with or nearly resembling it in relation to goods or services in relation to which that person or a predecessor in title of his has continuously used that trade mark from a prior date.

Therefore, in case of unregistered marks, the owner of the trade mark may lodge a case against passing off action in case his trademark is used by some other person. It has been held by the courts in various cases and the ownership of a trademark is decided by its usage in commercial transactions.

# Supreme Court Ruling on Trademark Ownership

The Supreme Court in **Uniply Industries Ltd. vs. Unicorn Plywood Pvt. Ltd. and Others** observed that:

## **(i) Priority of Use**

For inherently distinctive marks ownership is governed by priority of use for such marks. The first user of sale of goods/services is the owner who is senior to others.

## **(ii) Legal Protection**

These marks are given legal protection against infringement immediately upon adoption and use in trade.

## **(iii) Establishing Priority**

Some courts indicate that even prior sales of goods – though small in size with the mark – are sufficient to establish priority, the test being to determine continuous prior user and the volume of sale or the degree of familiarity of the public with the mark.

Therefore, the proprietorship of the trademark is decided by the date of usage of the mark by a person in business transactions.

# Assignment and Transmission

## **Section 37**

Entitles the registered proprietor of a trademark to assign the trade mark and to give effectual receipts for any consideration for such assignment.

## **Section 38**

Deals with the assignability and transmissibility of a registered trade mark with or without goodwill of the business either in respect of all goods or services or part thereof.

## **Section 39**

Provides that unregistered trade mark may be assigned or transmitted with or without the goodwill of the business concerned.

# Restrictions and Conditions on Assignment

## **Section 40: Restrictions on Assignments**

Contains restriction on assignments or transmissions of trade mark where multiple exclusive rights would be created in more than one person in relation to same goods or services; same description of goods or services; goods or services or description of goods or services which are associated with each other, which would be likely to deceive or cause confusion.

Nevertheless, such assignment is not deemed to be invalid, if having regard to the limitations imposed, the goods are to be sold in different markets - either within India or through exports.

## **Section 42: Assignment Without Goodwill**

Stipulates conditions for assignment of a trade mark without goodwill of business. Such an assignment shall not take effect unless the assignor obtains directions of the Registrar and advertises the assignment in accordance with the directions of the Registrar and as per the prescribed manner.

## **Section 43: Certification Trade Marks**

Deals with the assignability and transmissibility of certification trade marks and provides that the assignment of certification trade mark can only be done only with the consent of the Registrar.



# Associated Trademarks and Registration Procedures



## **Section 44: Associated Trademarks**

States that associated trademarks shall be assignable and transmissible only as a whole but they will be treated as separate trade marks for all other purposes.



## **Section 45: Registration Procedure**

Deals with the procedure for registration of assignment and transmission and provides that where the validity of an assignment is in dispute between the parties, the Registrar may refuse to register the assignment or transmission unless the rights of parties are determined by the competent court.

# Proposed Use of Trade Mark by **Company to be Formed**

Section 46 empowers the Registrar to allow registration of a trademark, if he is satisfied that–



## **(i) Company Formation**

A company is about to be formed and registered under the Companies Act and that the applicant intends to assign the trademark to that company with a view to use thereof in relation to those goods and services by the company;



## **(ii) Registered User**

The proprietor intends it to be used by a person, as a registered user after the registration of trademark.

# Removal of Trade Mark for Non-use

Section 47 deals with removal of a trade mark from the register on the ground of non-use and provides that a trade mark which is not used within five years of its registration, becomes liable for removal either completely or in respect of those goods or services for which the mark has not been used. The five years period starts from the date on which the trade mark is actually entered on the register.

## **Protection from Removal**

However, Section 47(3) protects a mark from being removed from the register on ground of non-use if such non-use is shown to have been due to special circumstances in the trade which may include restriction imposed by any law or regulation on the use of trade mark in India



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