May 4, 2016

Shri D. V. Sadananda Gowda
Honorable Minister of Law and Justice
Office of the Minister for Law and Justice
4th Floor, ‘A’ Wing, Shashtri Bhawan,
Rajendra Prasad Road,
New Delhi

Re: Issues related to Section 115 (4) of the Trade Marks Act, 1999

Honorable Minister,

The International Trademark Association (INTA) appreciates the opportunity to provide comments on the practicality and efficacy of Section 115(4) of the Indian Trade Marks Act, 1999 from the perspective and experience of brand owners and the professionals representing them. In discussing this with you during our meeting on March 4, 2016, we are very pleased that you also appreciate this issue as a genuine concern of brand owners doing or planning to do business in India. Accordingly, in response to the encouragement received from you at this meeting, we respectfully submit the following recommendation for your consideration. We greatly value your viewpoint of exploring possible solutions and mechanisms together with the concerned nodal ministry on this issue, if the requirement arises. Overall, your viewpoint is reflective of the solution-based approach of the Government of India.

Under §115(4), brand owners have encountered difficulties in their mandate to take action against trademark infringements by way of seizures or raids in accordance with criminal law. This provision in practice is burdensome, indeed even defeating, in two ways:

(1) it requires that a police officer of a senior rank no less than Deputy Superintendent of Police (DSP) determines the existence or risk of an infringement and orders the enforcement action; and

(2) it requires that the opinion of the Registrar of Trade Marks (hereinafter “Registrar”) be obtained before any action against the infringer can be taken.

The combination of these two prerequisites to any criminal enforcement action against trademark counterfeitors is increasingly forcing attorneys and brand owners to remedies outside of the Trade Marks Act. According to several of the comments we received from INTA’s members, it has become commonplace for brand owners and their attorneys to rely either on §420 of the Indian Penal Code or
on § 64(1) of the Copyright Act for the seizure and raid of counterfeiters, since the Copyright Act does not contain these requirements.

The requirement of a senior-level police officer to authorize a seizure was created to ensure that the decision would be based on a level of education and expertise, which would allow the officer in charge to act efficiently and confidently. However, the provision seems to be having the opposite effect. The higher ranked officers are often overwhelmed by their administrative duties, compared to which IP crimes could be considered of lesser priority. In one example, the concerned police officer responded to the request to issue an order under §115(4) that he was too old to go on raids and this requirement of the law had created a “jam”.

The capability to perform a raid decreases with the requirement to obtain the opinion of the Registrar before proceeding with the enforcement action. Under §110 of the Trade Marks Rules (2002), the opinion is to be given by a designated officer or the Registrar within 7 days of receipt of the request. Apparently, there oftentimes is neither a designated officer at the Registry nor is the opinion issued within the 7 days. Moreover, an opinion can take several months to issue thus jeopardizing the purpose of the seizure, where time is of the essence. During the time a complainant waits for the opinion, information about the raid may be leaked, causing the disappearance of the infringing goods as well as the perpetrators. In fact, our members report several examples of this happening.

Obviously this situation is of great concern to brand owners and practitioners, since the effective criminal enforcement of trademark rights has become extremely difficult and parties are forced to choose secondary protective measures under Copyright Law or the Indian Penal Code. Indeed, Copyright Law does not require the consultation of the Registrar for an opinion before the execution of enforcement measures by a police officer. Therefore, since the underlying rights are highly similar, we believe that the provisions of the two statutes enabling their enforcement should be aligned

INTA recommends that §115(4) of the Trade Marks Act should be amended in two ways. First, the rank of the authorizing officer should be reduced to ensure that the person in charge will be in a position to act while at the same time having the required understanding of the nature and importance of criminal matters involving trademarks. To mirror the provision in the Copyright Act, we believe that the authorized officer should have a rank not below Sub-Inspector. Second, INTA recommends that the requirement to obtain the opinion from the Registrar should be abolished, again in conformity with § 64(1) of the Copyright Act. As the suggested amendments to §115(4) are quite straightforward, we are respectfully stating them in Appendix A to this letter for your reference and in order to facilitate your consideration of the present issue.

The suggested amendments would significantly improve brand owners’ ability to effectively defend their trademark rights, which would also discourage trademark infringements and counterfeit activity.
We would like to note that INTA did raise the issues concerning §115(4) with the Department of Industrial Policy and Promotion (Ministry of Commerce and Industry, Government of India) in their capacity as the nodal department that formulates policies relating to Intellectual Property Rights including trademarks. Therefore, a copy of this letter is being shared with them.

Hon’ble Minister, we thank you for your time and consideration of this issue.

Sincerely yours,

Etienne Sanz de Acedo
CEO
Appendix A

Please find below INTA’s recommendation for amendment in § 115 (4) of the Trade Marks Act, 1999. For the sake of convenience, the deletions are indicated in strikethrough and the additions are indicated in **bold and underline**:

115. **Cognizance of certain offences and the powers of police officer for search and seizure**

(4) Any police officer not below the rank of deputy superintendent of police or equivalent **Sub-Inspector (SI)**, may, if he is satisfied on **receipt of a complaint** that any of the offences referred to in sub-section (3) has been, is being, or is likely to be, committed, search and seize without warrant the goods, die, block, machine, plate, other instruments or things involved in committing the offence, wherever found, and all the articles so seized shall, as soon as practicable, be produced before a Judicial Magistrate of the first class or Metropolitan Magistrate, as the case may be.

Provided that the police officer, before making any search and seizure, shall obtain the opinion of the Registrar on facts involved in the offence relating to trade mark and shall abide by the opinion so obtained.