To,

Shri Ravinder,
Honourable Joint Secretary
Department for Promotion of Industry and Internal Trade
Ministry of Commerce and Industry
Government of India

February 19, 2020

Re: Suggestion for legislative amendments in IP Acts; Meeting at DPIIT on January 14, 2020

Hon'ble Joint Secretary,

Thank you for inviting INTA to the meeting held at DPIIT on January 14 chaired by you to review existing IP legislation. This project a welcome initiative and INTA congratulates you and DPIIT for spearheading the endeavour. As a follow up from the said meeting and based on your recommendation, please allow INTA to make the following suggestions for legislative amendments in India’s IP legislation.

I. Statutory Damages:

INTA supports an amendment to the current Trademark Act which would allow for “pre-established” or statutory damages to be granted. In 2005, INTA’s Board of Directors passed a board resolution advocating for statutory damages as INTA believes that it is in the interest of trademark owners and the government alike to have the strongest enforcement mechanisms possible, such as statutory damages to protect trademarks from infringement, counterfeiting, and fraud.

Trademark owners in India are faced with the reality that many counterfeit businesses operate in cash only, do not provide receipts and have no purchase invoices to assist in calculating an accounting of profits. In instances where the counterfeit business has non-existent records or deceptively kept records to deflate the level of counterfeiting activity engaged in, proving actual damages is very difficult, if not impossible. Without statutory guidance to the courts as to the amount of damages to be awarded, awards are highly likely to be low and thus being considered by the professional counterfeiter as merely the cost of doing business with little to no deterrence effect. INTA would like to note that other jurisdictions that allow for statutory damages include: China, Israel, Singapore, and the United States.

II. Section 115 (4) of the Trade Marks Act:

INTA supports an amendment of Section 115(4) of the Trade Marks Act. Under Section 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: firstly, 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 secondly, it requires that the opinion of the Registrar of Trade Marks (hereinafter “Registrar”) be obtained before any action against the infringer can be taken.

This forces the brand owners and attorneys to seek remedies for action against Trademark counterfeiters, outside the purview of Trade Marks Act, 1999. They have increasingly relied on either
Section 420 of the Indian Penal Code or Section 64(1) of the Copyright Act, 1957 for the seizure or raid of counterfeitters, since the Copyright Act does not require the above mentioned prerequisites.

INTA highly recommends that Section 115(4) be suitably amended in two ways. Firstly, the rank of the authorizing Police Officer should be one that is appropriate for IP crimes, and should be reduced to an officer not below the rank of Sub-Inspector. Secondly, the requirement to obtain the Registrar’s opinion should be abolished since it is time consuming and often times ends up jeopardizing the purpose of the seizure.

INTA had made a detailed representation on the proposed amendment to Section 115(4), to the Honourable Minister of Law and Justice and DPIIT, dated 4th May, 2016, which is attached as Annexure 1.

III. Anticounterfeiting Enforcement:

INTA would also like to recommend that restrictive practices imposed on brand owners after the seizure process be eliminated. These practices include the elimination of the bond requirement imposed on brand owners as a condition to processing counterfeit cases by Customs and the reduction or elimination of storage and destruction costs imposed on brand owners. These recommendations were also adopted by the INTA Board of Directors in 2005 through the “Measures to Combat Trademark Counterfeiting” board resolution.

IV. Creation of IPRC:

INTA would like to recommend that the Indian law makers and DPIIT mandate the formation of a national Intellectual Property Rights coordination center (IPRC). The goal of the proposed office would be to establish a central coordination unit to fight against counterfeits, piracy, and other intellectual property crimes. Because of counterfeiting’s links to organized crime, money laundering, threats to public safety, etc., many agencies at the national level are looking at this type of crime in isolation without developing the expertise to tackle the complexities of the crime. The IPRC would be a singular unit of coordination between the different industries effected by these crimes, the governmental officials that work to stop it, and the targeted public. The office would also provide coordination between the different governmental offices at the national level and would facilitate coordination between national officials and other jurisdictions globally. INTA published a white paper detailing the formation of such a center in 2018 which can be found here.

V. Section 134 of the Trade Marks Act:

Recent judicial interpretations of Section 134 of the Trade Marks Act and/or Section 62 of the Copyright Act, 1957, the provisions of which are in pari materia, have caused serious prejudice and setback to brand owners in fighting the menace of counterfeiting spread all over India. INTA, therefore, recommends and supports an amendment to S 134 of TMA so as to strengthen brand owners’ access to effective judicial enforcement and discourage infringements and counterfeiting.

Section 134 of the Trademarks Act creates an exception to the general provision of Section 20 of The Code of Civil Procedure, 1908. It provides an additional forum and confers a choice on the registered proprietor to choose the jurisdiction of court where the registered proprietor or registered user or any other plaintiff or any co-plaintiff carried on business. Also, “Carrying on business” under the Trade Marks Act is not defined nor any limitation to meaning thereof is incorporated therein, as it applies only to a Plaintiff (unlike Explanation to Section 20 of CPC which, being in the context of the Defendant, provides ‘alternate forums’ limiting the scope of ‘carrying on business’ therein vis-à-vis places of cause of action).
Despite this, the courts have interpreted Section 134 in a restrictive manner, thereby severely prejudicing the right of overseas brand owners to effectively enforce their trade mark rights and prevent infringement thereof in India. The Honorable Delhi High Court has linked “carrying on business” by the brand owner to “registered user” and excluded the business of unregistered user/licensee from such consideration.

Section 134 was evidently legislated to strengthen the enforcement mechanism against infringers. It is also evident that contrary to the original legislative intent and purpose, recent interpretations have severely limited the ability of trademark owners to effectively enforce their trade marks in instances of infringement. It is desirable that the judicially imposed limitations on Section 134 be removed through a legislative amendment, as they are contrary to the legislative intent underlying the enactment of the provision and would weaken existing enforcement mechanisms against trademark infringement. It is equally desirable that the brand owner should not be compelled to register its subsidiaries and licensees as “registered users” only to be able to utilize the benefit of Section 134.

INTA’s recommendations in this regard have been previously made to the DPIIT and are annexed as Annexures 2(a) and 2(b).

Shortly, INTA would like to make another written representation on suggested legislative amendments to the Trade Marks Act, 1999 in relation to the practice and procedures followed at the Trade Marks Registry.

On behalf of INTA, I am at your disposal to answer any questions or provide further information.

Sincerely yours,

Gauri Kumar

INTA India Consultant

About INTA: The International Trademark Association (INTA; www.inta.org) is a global association of brand owners and professionals dedicated to supporting trademarks and related intellectual property (IP) to foster consumer trust, economic growth, and innovation. INTA’s members are more than 7,200 organizations from 187 countries. The Association’s member organizations represent some 31,000 trademark professionals and include brand owners from major corporations as well as small- and medium-sized enterprises, law firms, and nonprofits. There are also government agency members, as well as individual professor and student members. As a not-for-profit association, INTA’s role is to serve its members and society as a trusted and influential advocate for the economic and social value of brands.

Headquartered in New York City, INTA has offices in Brussels, Santiago, Shanghai, Singapore, and Washington, D.C. and representatives in Geneva and New Delhi.
Annexure 1

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 counterfeiters 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 official 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.
Annexure 2(a)

RECOMMENDATION FOR LEGISLATIVE AMENDMENT OF SECTION 134 OF THE TRADE MARKS ACT, 1999 - INDIA

1. Purpose & Object: Strengthening Enforcement

The National IPR Policy notified by the Government of India as of 12th of May, 2016 promises IPR owners stronger enforcement mechanisms for better protection of their IP rights. However, recent judicial interpretations of Section 134 of the Trade Marks Act (TMA) and/or Section 62 of the Copyright Act, 1957, the provisions of which are in pari materia, have caused serious prejudice and set back to brand owners in fighting the menace of counterfeiting spread all over India. INTA, therefore, recommends and supports an amendment to Section 134 of TMA so as to strengthen brand owners' access to effective judicial enforcement and discourage infringements and counterfeiting.

2. Historical Background:

Section 134 of the TMA and Section 62 of the Copyright Act, 1957 - Additional Forum for enforcement against infringements:

2.1 Historically, the Civil Procedure Code, 1908 (the CPC) permitted the institution of lawsuits only in jurisdictions where the infringer resided, or carried on business, or worked for gain, or where the cause of action wholly or in part arose. In the context of trademark and copyright infringement lawsuits, “cause of action” was interpreted by the courts to mean the location where infringing products were sold. Brand owners / copyright owners were accordingly compelled to pursue enforcement actions in courts located all over India, some of them being in extremely remote areas of the country.

2.2 In the above backdrop, the Copyright Act, 1957 was amended to provide an additional forum to institute copyright infringement litigation in the jurisdictions where the copyright owner carried on business. The legislative intent behind the introduction of an additional forum under the Copyright Act can primarily be summarized as under:

New York | Shanghai | Brussels | Washington, D.C. | Singapore | Santiago

Powerful Network | Powerful Brands.
(a) First, to enable the Copyright owner to enforce its rights at its own place of business rather than institute lawsuits in inconvenient forums all over the country;

(b) Second, to deter infringers who would now have to travel to the Copyright owner’s jurisdiction and/or engage counsel there, to contest copyright infringements suits.

2.3 Subsequently, while reviewing the Trade and Merchandise Marks Act, 1958 (the TMA, 1958) in light of the changing times in 1993, a comprehensive review was proposed by the legislature in the form of the Trade Marks Bill, 1993. Among the most significant changes proposed under the 1993 Bill were “enlarging the scope of permitted use”, “enlarging the jurisdiction of courts to bring the law on par with the copyright law”, and “amplifying the powers of the court to grant ex parte injunction”. Accordingly, S 134 was introduced into the Trade Marks Bill 1993 which was pari materia with S 62 of Copyright Act, and extended the jurisdiction of courts to the place of business of the registered trademark owner.

2.4 The Trade Marks Bill of 1993 upon introduction in Parliament was referred to the Parliamentary Standing Committee by both Houses for examination. The Bill was reviewed by the Committee in detail which presented its eighth report with the proposed amendments to the Bill, while retaining the provisions for both ‘permitted use’ and ‘creation of additional jurisdiction of courts’. The 1993 Bill was subsequently passed by the Lok Sabha (the lower house of India’s bicameral Parliament) in May 1995 after detailed debate and considering the recommendations and amendments made by the Parliamentary Standing Committee. However, the Bill lapsed before becoming a law due to dissolution of the Lok Sabha.

2.5 The 1993 Bill in almost the same form was thus again presented in 1999 as the Trade Marks Bill 1999. The 1999 Bill, after debate in both the Houses, was finally passed and enacted as The Trade Marks Act, 1999 (the TMA, 1999) retaining the aforesaid provisions so as to make them consistent with the Copyright Act, 1957.
Thus, the provision of an additional forum for the Plaintiff to institute a trademark infringement lawsuit found statutory recognition under § 134 of the TMA, 1999.

2.6 One of the objections that was raised against the amendments in Parliament was that the new jurisdictional dispensation would favour multinational corporations as they would be able to initiate litigation according to their choice and secondly that a poor holder of a trademark will be at a disadvantage. In the context of this objection it was clarified that the new provisions would be to the advantage of the petty trader incidentally doing his trade on the basis of a registered trademark, and that if this purpose was not achieved, an amendment would be brought in. The intention of § 62 of the Copyright Act and § 134 of the TMA was thus to enable the plaintiff to initiate litigation at a forum convenient to it. The Parliamentary Committee’s stated opinion was ‘many authors are deterred from instituting infringement proceedings because the court in which such proceedings are to be instituted is situated at a considerable distance from the place of their ordinary residence. The Committee feels that this impediment should be removed and the new sub-clause (2) accordingly provides that infringement proceedings may be instituted in the district court within the local limits of whose jurisdiction the person instituting the proceedings ordinarily resides, carries on business, etc.’ It is thus apparent that a qualitative evaluation of the jurisdictions for the purposes of ranking them in order of priority was not the intent of the legislature, which kept both issues separate and distinct. In sum, the legislative intent underlying the amendments appears to be:

(a) Allowing a Plaintiff to sue at its place of business (whether at the location of its registered or branch office – a qualitative evaluation of primary and secondary place of business is not envisaged).

(b) In instituting such a lawsuit at the Plaintiff’s place of business, the Plaintiff did not have to ensure that the Defendant was also carrying on business at the same location.

(c) The fact that the scales were weighed heavily in favour of the infringer and against the rights owner in matters of jurisdiction was sought to be corrected.

2.7 Historically, § 48 of the TMA, 1958, provided that that the use of the trade mark by a licensee will inure to the benefit of brand owner/licensor. This safeguarded a

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4 Section 134 is pari materia to Section 135 of the Trade Marks Bill, 1993 and Section 62 of the Copyright Act, 1957
legitimate trademark from a cancellation challenge on grounds of non-use by the licensor itself or by its “registered users” only.

While a registered user was a legal fiction under the TMA, 1958, as the name suggests, in order for a person or entity to qualify as a “registered user”, they would need to be brought on the records of the Trade Mark Registry; a process that was often cumbersome and long drawn.

S 48 of the TMA, 1999 simplified matters by creating an additional legal fiction in the form of a “permitted user” and extending the benefit of use of a trade mark by a “permitted user” to the proprietor/licensor. This provision enabled the trademark owner who may not be carrying on business in India directly under a trademark to effectively enforce its trade mark rights through a “permitted user” of its trade mark without having to go through the cumbersome process of recording a person or entity as a “registered user”. In the TI Raleigh case, decided by the Supreme Court of India, it was held that and unregistered (common law) licensee, equally qualifies as a legitimate licensee whose use would inure to the benefit of the owner and non-registration of such common law licensee does not deprive a registered proprietor of the rights in the registered mark. Taking note of the said ratio of the judgment, the definition of “permitted use” in the TMA now equates both registered users and common law (unregistered) licensees without any distinction.

Thus, for the purposes of jurisdiction, a registered or a permitted user are certainly at a higher legal threshold than even a sole or exclusive agent of the Plaintiff and when the Plaintiff is overseas, the registered/permitted user’s place of business is in practical terms equal to the Plaintiff’s place of business in India.

The relevant provisions of the TMA (S 48, 52, 53 and 134) and S 20 of CPC are reproduced in Annexure - A.

3. **Judicial Interpretation:**

“Carrying on Business” according to S 134 TMA

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5 Cycle Corporation of India Ltd vs T.I. Raleigh Industries Pvt. Ltd 1996 (4) SCALE 528
The legislative intent underlying S 134 was to provide an additional forum to a trade mark proprietor who sought redressal against infringement in jurisdiction where it carried on business. The term “carrying on business” under the TMA was not defined nor was subjected to any limitation unlike the Explanation to S 20(a) of CPC. On the contrary, S 134 was incorporated as an exception to S 20 of CPC.

Over the past decade, a series of restrictive interpretations of “carrying on business” by the judiciary have restricted the choice of jurisdiction conferred by legislature on trademark owners for effective enforcement of their statutory rights against infringers.

The cumulative effect of such interpretations have led to the latest decision of P. K. Sen vs Exxon Mobile Corporation, discussed below, which necessitates legislative intervention. A few important judgments are analyzed hereinafter:

(a) Dhodha House v. S K Maingi
While taking note of the provisions of S 134 of TMA and interpreting the scope of S 62(2) of the Copyright Act, 1957, the Supreme Court interpreted the phrase “carrying on business” found therein to mean that a registered proprietor could be said to carry on business in any of the following situations:

(i) through an agent who must attend exclusively to the business of the principal and carries it on in the name of the principal and not a general agent who does business for any one that pays him.

(ii) through a person acting as agent in the strict sense of the term.

(iii) to constitute “carrying on business” at a certain place, the essential part of the business must take place in that place.

(b) Indian Performing Rights Society v. Sanjay Dalia
In IPRS v. Sanjay Dalia, the Supreme Court further limited the meaning assigned to “carrying on business” as found in S 62 of Copyright Act, 1957 and S 134 of TMA by linking it to the place where part of cause of action has arisen and held that the right of a Plaintiff to institute a suit for infringement of a trademark at a place where Plaintiff resides, carries on business or works for gain, has to be read subject to certain restrictions, and in case plaintiff is residing or carrying on business at a particular place/having its head office and at such place cause of

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* 2006 (32) PTC1 (SC)
* 2015 (63) PTC 1 (SC)
action has also arisen wholly or in part, plaintiff cannot ignore such a place under the guise that he is also carrying on business at another place, and initiate an action at such other place. The Plaintiff in such a case can sue only at a place where cause of action has arisen and at no other place.

(c) Ultra Home Construction Pvt. Ltd. v. Purushottam Kumar Chaubey\textsuperscript{6}

In *Ultra Home*, the Division Bench of Delhi High Court while interpreting the decision of the Supreme Court in *IPRS v. Sanjay Dalal* narrowed down the additional choice of jurisdiction available to a trademark/copyright owner under S 134 of the TMA and S 62 of the Copyright Act to either (i) the "sole office" of the owner or, (ii) if the cause of action has arisen at a place where the owner's principal office is located then only at such location, (iii) if the cause of action has arisen at a place where the owner's subordinate office is located then only at such location, or (iv) if the cause of action neither arises at the place of the principal office nor at the place of the subordinate office but at some other place, then only at its principal office.

(d) P. K. Sen v. Exxon Mobile Corporation\textsuperscript{8}

A Division Bench of Delhi High Court in *Exxon* interpreted "Plaintiff" in S 134 to mean the registered proprietor of the trademark or the registered user and thereby excluded the business premises of the registered proprietor's unregistered licensees/permitted users from the scope of the allowance under S 134. It excluded those Plaintiffs from the benefit of S 134 who do not carry on business under an identical name in India, ruling that a subsidiary who operates under a license agreement or as a permitted user cannot claim the benefit of the provision. Such an interpretation deprives overseas trademark owners from deriving any benefit from S 134, thus weakening their ability to enforce their trademark rights in India.

While the expression "carrying on business" has been rather restrictively interpreted in the context of S. 134 and S. 62, however, to determine the place of business of the Defendant under Section 20 of the CPC, the courts have dealt with cases of foreign companies having a branch/liaison office in India rather liberally:

\textbf{(a) Tata Motors Ltd. v. JSC VTB Bank\textsuperscript{10}} –

\textsuperscript{6} 2016 (65) FCT 469 (Del)(DB)
\textsuperscript{8} 2017 (59) FCT 271 (Del)(DB)
\textsuperscript{10} 200 (2013) DLT 115
The plaintiff, Tata Motors, filed a suit against a foreign bank having its registered
office in Russia ("Russian Bank"), before the Delhi High Court. No part of cause
of action had arisen in Delhi. The jurisdiction of the Delhi High Court was invoked
on the ground that the Russian Bank had a branch in New Delhi which was its sole
or principal place of business in India. The Single Judge returned the plaint
holding that even assuming the branch at New Delhi to be the subordinate office
of Russian Bank, the Delhi High Court did not have jurisdiction since no part of
cause of action arose in Delhi. In appeal, the Division Bench of the High Court
overruled the Single Judge's order holding that the view taken by the learned
Single Judge that a Corporation can be sued at its subordinate office only when
the cause of action accrues in the territory where the subordinate office is situated
is incorrect notwithstanding that the learned Single Judge has correctly
acknowledged that the explanation is in two parts. The error committed is, in not
appreciating the two distinct limbs of the explanation which have no concern with
each other.

(b) MIP Metro v. Westfield Retail Pvt. Ltd.\textsuperscript{11}

In this case it was held that a foreign company would be deemed to be carrying on
business through its liaison office in New Delhi for the purposes of Section 134(2)
of the TM Act. However, the decision in this case was also fact-driven in view of
the nature of business of the plaintiff.

(c) Madan Kukreja v. Banque Scalbert Dupont S.A. and Anr.\textsuperscript{12}

In this case the Defendant bank, headquarter in Paris, was held to be carrying
on business through its liaison office in New Delhi for the purposes of Section 20(a)
of the CPC. The Appeal against the said judgment was dismissed by the Division
Bench of the High Court.

(d) Heinz Italia S.r.l. & Another Vs. Mr. D. Koteswara Rao\textsuperscript{13}

A Single Judge of the Delhi High Court held that a foreign corporation is deemed to be
carrying on business through its subsidiary in India. Thus, a suit for infringement could
be filed at the place of business of the Indian subsidiary of the owner.

4. **Issue for Discussion:**

\textsuperscript{11} MANU/DE/2189/2016
\textsuperscript{12} 164 (2009) DLT 277
\textsuperscript{13} Manu/DE/2560/2008
S. 134 was evidently legislated to strengthen the enforcement mechanism against infringers.

It is also evident that contrary to the original legislative intent and purpose, recent interpretations have severely limited the ability of trademark owners to effectively enforce their trade marks in instances of infringement.

It is desirable that the judicially imposed limitations on S 134 be removed as they are contrary to the legislative intent underlying the enactment of the provision and would weaken existing enforcement mechanisms against trademark infringement.

It is equally desirable that the brand owner should not be compelled to register its subsidiaries and licensees as “registered users” only to be able to utilize the benefit of S. 134.

5. **Recommendation:**

Thus, in order to strengthen the enforcement mechanism made available to brand owners in India, it is essential that S 134 of The Trade Marks Act, 1999 should be suitably amended as follows:

**Amended Section 134:**

Section 134. Suit for infringement etc., to be instituted before District Court. – (1) No suit –

(a) for the infringement of a registered trade mark; or
(b) relating to any right in a registered trade mark; or
(c) for passing off arising out of the use by the defendant of any trade mark which is identical with or deceptively similar to the plaintiff’s trade mark, whether registered or unregistered shall be instituted in any court inferior to a District Court having jurisdiction to try the suit.

(2) For the purpose of clause (a) and (b) of sub-section (1) a “District court having jurisdiction” shall notwithstanding anything contained in the Code of Civil Procedure, 1908 or any other law for the time being in force, include a District Court within the local limits of whose jurisdiction, at the time of the institution of the suit or other proceeding the person instituting the suit or proceeding or where there are more than one such persons, any of them, actually and voluntarily resides or carries on business or
personally works for gain, irrespective of where the cause of action may have arisen or where the Defendant may be residing or carrying on business or working for gain.”

Explanation I. - For the purposes of sub-section (2) “person” includes the registered proprietor, registered user and permitted users.”

Explanation II. - For the purposes of sub-section (2) “carrying on business” includes carrying on business through a liaison or branch office.

Further, in conformity with the above amendments, the current Section 53 of TMA may be deleted to remove the impediments placed on permitted users to sue for infringement as decided in P. K. Sen v. Exxon Mobile Corporation (supra) and Section 52 be amended to include a permitted user within its ambit. It is also recommended that since provisions of S 62(2) of Copyright Act, 1957 are in pari materia, similar amendments be also brought in and S 62(2) be amended in line with the above.

6. Conclusion

The amendments to S 134 of the TMA and S 62 of the Copyright Act were to address the difficulties faced by rights holders in in effectively enforcing their right against infringers and seek relief against infringement. It is also a requirement of the National IP Policy that all efforts should be made to strengthen IP enforcement in India. If the interpretation of the provisions water them down such that the words on the statute book cease to apply in the context in which they were sought to be applied and become but an extension of Section 20 of the CPC, then appropriate legislative amendments become key to reinstating the original intent of the provisions.
Annexure A

A. Relevant Provisions of Trade Marks Act, 1999

Registered User

48.-(1) Subject to the provisions of section 49, a person other than the registered proprietor of a trade mark may be registered as a registered user thereof in respect of any or all of the goods or services in respect of which the trade mark is registered.

(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 purposes of section 47 or for any other purpose for which such use is material under this Act or any other law.

Right of Registered User to Take Proceedings Against Infringement

52. (1) Subject to any agreement subsisting between the parties, a registered user may institute proceedings for infringement in his own name as if he were the registered proprietor, making the registered proprietor a defendant and the rights and obligations of such registered user in such case being concurrent with those of the registered proprietor.

(2) Notwithstanding anything contained in any other law, a registered proprietor so added as defendant shall not be liable for any costs unless he enters an appearance and takes part in the proceedings.

No Right of Permitted User to Take Proceedings Against Infringement

53. A person referred to in sub-clause (ii) of clause (e) of sub-section (1) of section 2 shall have no right to institute any proceeding for any infringement.

Suit for Infringement, etc. to Be Instituted Before District Court

134.-(1) No suit-

(a) for the infringement of a registered trade mark; or

(b) relating to any right in a registered trade mark; or

(c) for passing off arising out of the use by the defendant of any trade mark which is identical with or deceptively similar to the plaintiff's trade mark, whether registered or unregistered,

shall be instituted in any court inferior to a District Court having jurisdiction to try the suit.

For the purpose of clauses (a) and (b) of sub-section (1), a "District Court having jurisdiction" shall, notwithstanding anything contained in the Code of Civil Procedure, 1908 or any other law for the time being in force, include a District Court within the local limits of whose jurisdiction, at the time of the institution of the suit or other proceeding, the person instituting the suit or proceeding, or, where there are more than one such persons any of them, actually and voluntarily resides or carries on business or personally works for gain.

Explanation. - For the purposes of sub-section (2), "person" includes the registered proprietor and the registered user.
B. Relevant provisions of Code of Civil Procedure, 1908

20. Other suits to be instituted where defendants reside or cause of action arises

Subject to the limitations aforesaid, every suit shall be instituted in a Court within the local limits of whose jurisdiction—

(a) The defendant, or each of the defendants where there are more than one, at the time of the commencement of the Suit, actually and voluntarily resides, or carries on business, or personally works for gain; or

(b) any of the defendants, where there are more than one, at the time of the commencement of the suit, actually and voluntarily resides, or carries on business, or personally works for gain, provided that in such case either the leave of the Court is given, or the defendants who do not reside, or carry on business, or personally work for gain, as aforesaid, acquiesce in such institution; or

(c) the cause of action, wholly or in part, arises.

Explanation: A corporation shall be deemed to carry on business at its sole or principal office in India or, in respect of any cause of action arising at any place where it has also a subordinate office, at such place.

Illustrations:

(a) A is a tradesman in Calcutta, B carries on business in Delhi. B, by his agent in Calcutta, buys goods of A and requests A to deliver them to the East India Railway company. A delivers the goods accordingly in Calcutta. A may sue B for the price of the goods either in Calcutta, where the cause of action has arisen, or in Delhi, where B carries on business.

(b) A resides at Simla, B at Calcutta and C at Delhi. A, B and C being together at Benaras, B and C make a joint promissory note payable on demand, and deliver it to A. A may sue B and C at Benaras, where the cause of action arose. He may also sue them at Calcutta, where B resides, or at Delhi, where C resides; but in each of these cases, if the non-resident defendant objects, the suit cannot proceed without the leave of the court.