

## **Legal Issues in ‘Criminal Trademark Infringement’**

**Issue: Whether Search and Seizure in Trademark Infringement Without the Registrar’s Opinion is Permissible?**

## Relevant Legal Provisions

### ❖ Section 115(4), Trade Marks Act, 1999 –

*“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, may, if he is satisfied 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 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.**” [Emphasis supplied]*

## Relevant Legal Provisions (Contd.)

### ❖ Section 93, The Code of Criminal Procedure, 1973 –

*“When search-warrant may be issued.–(1) (a) Where any Court has reason to believe that a person to whom a summons or order under section 91 or a requisition under sub-section (1) of section 92 has been, or might be, addressed, will not or would not produce the document or thing as required by such summons or requisition, or*

*(b) where such document or thing is not known to the Court to be the possession of any person, or*

*(c) where the Court considers that the purposes of any inquiry, trial or other proceeding under this Code will be served by a general search or inspection, it **may issue a search-warrant**; and the person to whom such warrant is directed, may search or inspect in accordance therewith and the provisions hereinafter contained.” [Emphasis supplied]*

## Relevant Case Laws

❖ *S. Sundaram Pillai, Etc v. V.R. Pattabiraman Etc.*, [(1985) 1 SCC 591]

- **Issue:** What is the scope, nature and extent of a proviso?
- **Held:** *“The well established rule of interpretation of a proviso is that a proviso may have three separate functions. Normally, a proviso is meant to be an exception to something within the main enactment or to qualify something enacted therein which but for the proviso would be within the purview of the enactment. In other words, a proviso cannot be torn apart from the main enactment nor can it be used to nullify or set at naught the real object of the main enactment.”* (para 27)
- *“I think the proviso is a qualification of the preceding enactment, which is expressed in terms too general to be quite accurate.”* (para 31)
- *“While interpreting a proviso care must be taken that it is used to remove special cases from the general enactment and provide for them separately.”* (para 36)
- *“In short, generally speaking, a proviso is intended to limit the enacted provision so as to except something which would have otherwise been within it or in some measure to modify the enacting clause. Sometimes a proviso may be embedded in the main provision and becomes an integral part of it so as to amount to a substantive provision itself.”* (para 37)



## Relevant Case Laws (Contd.)

- ❖ ***Dwarka Prasad v. Dwarka Das Saraf, [1975 AIR 1758]***
  - **Issue:** Does a proviso carve out something from the whole? Does it serve an independent enacting purpose?
  - **Held:** “... *If on a fair construction, the principal provision is clear, a proviso cannot expand or limit it. Sometimes a proviso is engrafted by an apprehensive draftsman to remove possible doubts, to make matters plain, to light up ambiguous edges. A proviso ordinarily is but a proviso although the golden rule is to read the whole sections inclusive of the proviso, in such manner that they mutually throw light on each other and result in a harmonious construction....*” (para 16)
  - “*While rulings and text books bearing on statutory construction have assigned many functions for provisos, we have to be selective, having regard to the text and context of a statute. Nothing is gained by extensive references to luminous classics or supportive case law.*” (para 17)
  - “*If the rule of construction is that prima facie a proviso should be limited in its operation to the subject matter of the enacting clause, the stand we have taken is sound. To expand the enacting clause, inflated by the proviso, sins against the fundamental rule of construction that a proviso must be considered in relation to the principal matter to which it stands as a proviso. A proviso ordinarily is but a proviso, although the golden rule is to read the whole section, inclusive of the proviso, in such manner that they mutually throw light on each other and result in a harmonious construction”.*” (para 18)

## Relevant Case Laws (Contd.)

- ❖ ***Sanyo Electric Co. Thr. Its Constituted Attorney Pankaj Gupta v. State*, [Crl. Rev. Petition No. 154/2010, Delhi High Court, August 30, 2010]**
- **Issue:** Whether proviso to Section 115(4) of the TM Act is not applicable to search warrants which are issued by the Courts under Section 93 of the Code of Criminal Procedure, 1973?
- **Held:** “... *Section 115(4) of the TM Act relates to search and seizure by the police without warrant. Section 93 of the Code, on the other hand, deals with power of the Court to authorize search and seizure.*” The Court can issue a search warrant when conditions mentioned in Section 93 of the Code are satisfied. Search authorized under Section 93 of the Court is not a search without a warrant but a search under a warrant issued by the Court after due application of mind. The words "reason to believe" coupled with clauses (a) to (c) contemplate an objective determination based on judicial deliberation by the Court. (*para 7*) [Emphasis supplied]
- The court applies its mind to decide whether or not a request for search and seizure made by a party should be allowed. An order under Section 93 of the Code is a judicial order passed after weighing and examining facts. There should be application of mind which should be discernible from the order under Section 93 of the Code. (*para 7*)

## Relevant Case Laws (Contd.)

- ❖ ***Sanyo Electric Co. Thr. Its Constituted Attorney Pankaj Gupta v. State* [Crl. Rev. Petition No. 154/2010, Delhi High Court, August 30, 2010] [Contd.]**
  - Thus, the power of the police to conduct searches and searches on a warrant issued by a Court under Section 93 of the Code are distinct and separate. It is expected and required that the court would take due notice and will ensure that the right to privacy is not violated except when warranted, required and justified. (*para 9*)
  - A proviso can serve four different purposes; (1) qualifying or excepting certain provisions from the main enactment: (2) it may entirely change the very concept of the intendment of the enactment by insisting on certain mandatory conditions to be fulfilled in order to make the enactment workable: (3) it may be so embedded in the Act itself as to become an integral part of the enactment and thus acquire the tenor and colour of the substantive enactment itself; and (4) it may be used merely to act as an optional addenda to the enactment with the sole object of explaining the real intendment of the statutory provision. (*para 9*)
  - Looking at the language of Section 115(4) of the TM Act, object and purpose behind the proviso to the said Section and Section 93 of the Code, the proviso in the present case does not warrant a wider application beyond the substantive Section 115(4) i.e. all searches by the police without warrant. Legislative intent behind the proviso can be gathered from the explicit language and words used in 115(4) of the TM Act. The Section is confined to searches without warrants and prevents misuse of the power of search by the police. There is no indication in the language that the proviso is intended to apply as a proviso to Section 93 of the Code. (*para 11*)



## Relevant Case Laws (Contd.)

- ❖ ***Sanyo Electric Co. Thr. Its Constituted Attorney Pankaj Gupta v. State* [Crl. Rev. Petition No. 154/2010, Delhi High Court, August 30, 2010] [Contd.]**
- Section 115(4) of the TM Act does not override and obliterate the power of the court to issue a search warrant under Section 93 of the Code. (*para 12*)
- It has been accordingly held, and in my opinion rightly, that the two provisions operate independently as one relates to searches pursuant to warrants issued by the courts and the other relates to searches by police officers without a Court warrant. The pre-requisite or pre-conditions for a search by a police officer without warrant under the proviso to Section 115(4) of the TM Act cannot be read into and made a pre-condition before a search warrant issued by a court under Section 93 of the Code is executed. Otherwise, a judicial order of the court issuing warrant of search will be a paper order and unexecutable unless the Registrar gives a positive opinion. It makes a judicial order of a court ineffective till an opinion is given by the Registrar, who has right to overwrite the judicial decision. This is not warranted by the language of the proviso or the legislative intent behind the proviso. (*para 12*)



## Relevant Case Laws (Contd.)

- ❖ *Shrenik Shantilal Dhadiwal v. The State of Maharashtra and Ors.* [Criminal Appl. No. 1289/07, Bombay High Court, August 1, 2018]
  - **Issue:** Whether opinion of Registrar under Section 115(4) is mandatory?
  - **Held:** Under the provision of Section 115 of the Trade Marks Act, 1999, certain restrictions are put for taking the cognizance for the offence under Sections 107, 108 or 109. The Court shall not take the cognizance of a complaint except the complaint in writing made by the Registrar, or any officer authorized by him in writing. The offences punishable under Section 103 or 104 or 105 are cognizable and police not below the rank of Deputy Superintendent of Police is authorized to search and seize without warrant the goods, die, block, machine, plate, other instruments or things involved in committing the offence. Such police officer before making any search or seizure shall obtain the opinion of Registrar on facts involved in the offence relating to trade mark and shall abide by the opinion so obtained. (*para 9*)

## Relevant Case Laws (Contd.)

- ❖ **Anant Tukaram Teke & Ors. v. State Of Maharashtra & Anr.** [Criminal Appl. No. 1471/13, Bombay High Court, September 24, 2018]
- **Issue:** Is provision of section 115(4) is mandatory in nature?
- **Held:** The provision of Section 115(4) of the Trade Marks Act, 1999 shows that before search and seizure, the Dy.S.P. needs to obtain the opinion of the Registrar on facts involved in the alleged offence. In the present matter, the Dy.S.P. took action first, and then he made correspondence with Registrar for obtaining an opinion. Further, the remaining investigation like search and seizure in respect of more packets and machinery used for preparing and printing packets was made by Police Inspector and not by Dy.S.P. In view of the scheme of the Act and aforesaid specific mention in Section 115(4) of the Act, this Court holds that the provision of Section 115(4) is mandatory in nature. (*para 18*)

## Conclusion

- ❖ The catch in Section 115(4) provision is that the police officer before making any such raids and takeover has to obtain a certificate of opinion from the registrar on the facts of the case and shall abide by the opinion made.
- ❖ The database made available to the Registrar is not adequate, as it fails to recognize the device marks or symbols or labels, which constrains the Registrar from giving a full proof opinion owing to the non-availability of the entire database comprising word marks as well as device marks or symbols or labels.
- ❖ Delay in the process.
- ❖ For taking fast-forward action against any infringement, the proprietor should take criminal action.
- ❖ A search warrant can be obtained by directly approaching the magistrate court, the procedure of which has been laid down under Section 93 of Code.

# THANK YOU!

## Questions?

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