

Legal Issues in Trademarks

Issue: What constitutes bona fide intention to use a trademark in India?

Relevant Legal Provisions

❖ *Section 2 (2) of the Trade Marks Act, 1999*

2. Definitions and interpretation.

(2) In this Act, unless the context otherwise requires, any reference—

(b) to the use of a mark shall be construed as a reference to the use of printed or other visual representation of the mark;

(c) to the use of a mark,—

(i) in relation to goods, shall be construed as a reference to the use of the mark upon, or in any physical or in any other relation whatsoever, to such goods; (ii) in relation to services, shall be construed as a reference to the use of the mark as or as part of any statement about the availability, provision or performance of such services;

Relevant Legal Provisions

❖ *Section 47(1)(a) of the Trade Marks Act, 1999*

47. Removal from register and imposition of limitations on ground of non-use.—

(1) A registered trade mark may be taken off the register in respect of the goods or services in respect of which it is registered on application made in the prescribed manner to the Registrar or the Appellate Board by any person aggrieved on the ground either—

(a) that the trade mark was registered without any bona fide intention on the part of the applicant for registration that it should be used in relation to those goods or services by him or, in a case to which the provisions of section 46 apply, by the company concerned or the registered user, as the case may be, and that there has, in fact, been no bona fide use of the trade mark in relation to those goods or services by any proprietor thereof for the time being up to a date three months before the date of the application; or

Relevant Legal Provisions

❖ *Section 47(1)(b) of the Trade Marks Act, 1999*

47. Removal from register and imposition of limitations on ground of non-use.—

(1) A registered trade mark may be taken off the register in respect of the goods or services in respect of which it is registered on application made in the prescribed manner to the Registrar or the Appellate Board by any person aggrieved on the ground either—

(b) that up to a date three months before the date of the application, a continuous period of five years from the date on which the trade mark is actually entered in the register or longer had elapsed during which the trade mark was registered and during which there was no bona fide use thereof in relation to those goods or services by any proprietor thereof for the time being:

Provided that except where the applicant has been permitted under section 12 to register an identical or nearly resembling trade mark in respect of the goods or services in question, or where the tribunal is of opinion that he might properly be permitted so to register such a trade mark, the tribunal may refuse an application under clause (a) or clause (b) in relation to any goods or services, if it is shown that there has been, before the relevant date or during the relevant period, as the case may be, bona fide use of the trade mark by any proprietor thereof for the time being in relation to—

(i) goods or services of the same description; or

(ii) goods or services associated with those goods or services of that description being goods or services, as the case may be, in respect of which the trade mark is registered.

Relevant Judicial Decisions

❖ *Hardie Trading Ltd. and Ors. Vs. Addisons Paint and Chemicals Ltd., AIR 2003 SC 3377*

41. *“The question therefore is - is the word "use" in Section 46(1) so limited? The phrase used in Section 46 is "bonafide use thereof in relation to those goods". The phrase has been defined in Section 2(2)(b) of the Act as :*

"to the use of a mark in relation to goods shall be construed as a reference to the use of the mark upon, or in any physical or in any other relation whatsoever, to such goods".

42. *“This shows that the use may be other than physical. It may be in any other relation to the goods. Given this statutory meaning, we see no reason to limit the user to use on the goods or to sale of goods bearing the trademark.”*

45. *“In Section 2(2)(b) of the Act, we have the additional words "any" and "whatsoever“ qualifying the words 'other relation" giving the words a much wider meaning. Reading this definition into Section 46(1). It is clear that the word 'use' in Section 46(1) may encompass actions other than actual sale.”*

Relevant Judicial Decisions

❖ *Pfizer Products Inc. Vs. Rajesh Chopra and Ors., 2007 (35) PTC 59 DEL*

30. *“In the present case, the plaintiff has placed extensive details of advertisements published by it and the seminars held by it in respect of both the trademarks 'Zoloft' and 'Geodon'. Such advertisements/material would in my view, satisfy the test of non-physical use laid down by the Apex Court in Hardie Trading Ltd. (supra) and would prima facie give a valid defense to the assertion of the defendant of non-use of the trademarks on the part of the plaintiff before this Court within the meaning of Section 2(2)(c) of the Trademarks Act, 1999.”*

31. *“Further the annual reports of the plaintiff company for the years 2001-2005 prima facie evidence the extensive sales of the products Geodon and Zoloft and articles have been placed on record by the plaintiff regarding a drug sold by it under the trademark geodon and zoloft.”*

Relevant Judicial Decisions

❖ *Kabushiki Kaisha Toshiba v. Toshiba Appliances Co. & Ors., (2008) 10 SCC 766*

41. “The intention to use a trade mark sought to be registered must be genuine and real. When a trade mark is registered, it confers a valuable right. It seeks to prevent trafficking in trade marks. It seeks to distinguish the goods made by one person from those made by another. The person, therefore, who does not have any bona fide intention to use the trade mark, is not expected to get his product registered so as to prevent any other person from using the same. In that way trafficking in trade mark is sought to be restricted.”

Relevant Judicial Decisions

❖ *American Home Products Corporation Vs. Mac Laboratories Pvt. Ltd. and Ors., 1986 AIR 137*

71. “Turning now to the present Appeal, the facts on the record show that only when it was decided to introduce 'DRISTAN' tablets in the Indian market through the Indian Company that the Appellant made its application to register the trade mark 'DRISTAN'. There was a close connection in the course of trade between the Appellant and the Indian Company. The Appellant owned 40 per cent of the shareholding in the Indian Company. It had entered into a technical collaboration agreement with the Indian Company which provided for strict quality control and for formulae and services to be provided by the Appellant. The manufacture, marketing and advertising of all products under the said agreement were to be under the control of the Appellant. There was no royalty payable by the Indian Company to the Appellant in respect of the use of the trade mark 'DRISTAN'. In the event of the collaboration agreement being terminated by reason of the happening of any of the events mentioned in the said agreement, amongst which events was the shareholding of the Appellant becoming less than 40 per cent, the Indian Company was to cease to be entitled to manufacture the tablets 'DRISTAN' or to use its formula or to use the trade mark 'DRISTAN'. There was here, therefore, no question of any trafficking in a trade mark. **In these circumstances, the intention of the Appellant to use the trade mark 'DRISTAN' through the Indian Company which was subsequently to get itself registered as the registered user of the said trade mark cannot but be characterized as bona fide.**”

Relevant Judicial Decisions

❖ *Vishnudas Kishandas v. Vazir Sultan Tobacco Co. Ltd., Hyderabad and Ors, 1997 (4) SCC 201*

44. *“In our view, if a trader or manufacturer actually trades in or manufactures only one or some of the articles coming under a broad classification and such trader or manufacturer has no bonafide intention to trade in or manufacture other goods or articles which also fall under the said broad classification, such trader or manufacturer should not be permitted to enjoy monopoly in respect of all the articles which may come under such broad classification and by that process preclude the other traders or manufacturers to get registration of separate and distinct goods which may also be ground under the broad classification. If registration has been given generally in respect of all the articles coming under the broad classification and if it is established that the trader or manufacturer who get such registration had not intended to use any other article except the articles being used by such trader or manufacturer, the registration of such trader is liable to be rectified by limiting the ambit of registration and confining such registration to the specific article or articles which really concern the trader or manufacturer enjoying the registration made in his favour. In our view, if rectification in such circumstances is not allowed, the trader or manufacturer by virtue of earlier registration will be permitted to enjoy the mischief of trafficking in trade mark.”*

Relevant Judicial Decisions

❖ *Pops Food Products (P) Ltd. Vs. Kellogg Company, One Kellogg Square, Battle Creek, Michigan and Ors., TRA/159/2004/TM/DEL*

11. “We accept that business cannot be started over night and we cannot also take a view different from the settled position of law that the person who alleges non user should prove non user. But in this case, the counsel for the applicant admits that till date the mark has not been used and when the mark is "proposed to be used" mark, we do not think that the applicants need to prove a case which stands proved by admission. The mark was applied 16th march 1989 as "proposed to be used". It was published on 1st July 1994 and till date ie. from 1989 till date there is not one evidence of use. On the contrary, it is admitted that they intend to use. The fact that they are registered in other countries is not relevant for us. Even the judgments relied on by the respondent are that industries cannot be started over night cannot be applied. **The respondent claims that it is breakfast giant in the world and if right from 1989 to 2011 ie. for almost 22 years there is no evidence of use and it can only mean that there is no bonafide intention to use. There is not even any correspondence to show that there has been some attempt to commence use of the mark in India. 22 years is a long time and it speaks for itself that there has been no bonafide intention to use**In any event, the respondent who has not used the mark nor demonstrated a bonafide intention for 2 years, cannot insist on the mark remaining on the register. In short, a) the respondent applied for registration of their mark in 1989 as proposed to be used mark and has not used it till date, b) There is no evidence of sale in the country from 1989 to 2011, the respondent has neither used nor shown any evidence of commencing the business, c) when the respondent itself admits that the mark has not been used then the question of proof of non user is unnecessary.”

Conclusion

- ❖ Under the Trade Marks Act, 1999, an applicant must demonstrate a bona fide intention to use the mark at the time of applying for registration. Indian courts have emphasized that this requirement serves as a safeguard against trademark trafficking and prevents registrations obtained merely to block or reserve marks without genuine commercial purpose.
- ❖ Judicial interpretation shows that the determination of bona fide intention is contextual, turning on whether the applicant has taken real and tangible preparatory steps towards using the mark in the course of trade.
- ❖ Accordingly, Indian jurisprudence reflects a balanced approach - bona fide intention is established where preparatory steps and commercial arrangements are credible and substantial, while it is negated in cases of mere token use, defensive filings, or speculative claims to ownership.

THANK YOU!
Questions?

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12

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