

Legal Issues in ‘Judicial Reforms in the Context of IP Matters’

Issue: Whether pre-use advertisement will constitute as use of a mark 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;

❖ *Section 46 (1) of the Trade Marks Act, 1999*

46. Proposed use of trade mark by company to be formed, etc. –

(1) No application for the registration of a trade mark in respect of any goods or services shall be refused nor shall permission for such registration be withheld, on the ground only that it appears that the applicant does not use or propose to use the trade mark if the Registrar is satisfied that—

(a) a company is about to be formed and registered under the Companies Act, 1956 (1 of 1956) and that the applicant intends to assign the trade mark to that company with a view to the use thereof in relation to those goods or services by the company, or

(b) the proprietor intends it to be used by a person, as a registered user after the registration of the trade mark.

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

❖ *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.”*

53. *“...this has not been disputed in appeal that the **only evidence of the use of the registered mark produced by the appellant is an advertisement of a freezer and washing machine of Toshiba** published on 27th August, 1985 in the Indian Express, New Delhi and in that advertisement there was mention of five service centres...that **such a solitary advertisement is not use of the mark in relation to the goods within the meaning of Section 2(2)(b) of the Act** (emphasis supplied)....**when there are no goods at all in physical existence, there can be no use of the mark** in relation to those goods...however, big or famous the establishment of the appellant may be, the use of the mark must be made in India and not abroad and that mere use of the mark for one advertisement is insufficient as use otherwise such a use may amount to trafficking in trade mark.”*

Relevant Judicial Decisions

❖ *Pioneer Nuts and Bolts (P) Limited v. Goodwill Enterprises, 2009 SCC OnLine Del 2851*

19. “...the proprietor of the trade mark, by the time an offer for sale is published, should “take positive steps to acquire goods marked with the trade mark” for then he would have done enough for his combined actions to constitute use on, or in relation to goods...**the mere issuance of an advertisement would not constitute a user of the mark** (emphasis supplied)...otherwise the proprietor of a trade mark might, without having any goods to offer, advertise its marks at periodical intervals and thereby prevent any attack being made upon the mark...use of a mark in advertising media must be concurrent with the placing of the goods in the market if it is to be regarded as a trade mark.”

❖ *Peps Industries Private Limited v. Kurlon Limited, CS(COMM) 174/2019 with IA 4871/2019 & IA 6715/2019*

12. “...It was observed in the latter case that the issuance of a series of advertisements as part of an introductory campaign may be use of the mark in the course of trade but “not upon the goods or in physical relation thereto”. It was observed that this exposition of the law would equally be applicable in India...use of a mark in advertising media must be concurrent with the placing of the goods in the market if it is to be regarded as a trade mark.”

13. “The user by other party has to be continuous, distinct from the user which is separate, isolated or disjointed and requires the commercially continuous use of mark in relation to the same goods or services. A defendant seeking to set up a defence of prior use under Section 34 of the Trade Marks Act has also to prove the volume of sales. **Mere issuance of an advertisement would not constitute user of the mark** (emphasis supplied).”

Relevant Judicial Decisions

❖ *Milmet Oftho Industries & Ors v. Allergan Inc., (2004) 12 SCC 624*

9. “..The mere fact that the Respondents have not been using the mark in India would be irrelevant if they were first in the world market....the **Respondents product was advertised before the Appellants entered the field**. On the basis of that material the Division Bench has concluded that the Respondents were first to adopt the mark. If that be so then no fault can be found with the conclusion drawn by the Division Bench.”

❖ *Rong Thai International Group Co. Ltd. v. ENA Footwear Pvt. Ltd. & Anr., C.O. (COMM.IPD-TM) 100/2021*

7. “...Section 47 of the Act serves to protect the integrity of the trade mark register by ensuring that registered marks that are not actively used in commerce are removed...Specifically, Section 47(1)(b) enables the removal of a trade mark from the register if it has not been used bona fide for a continuous period of five years or longer. However, the burden of proving that the facts which bring this provision into play rests on the person who seeks to have the trade mark removed from the Register. It is pertinent to note that **bona fide use typically means genuine use in the course of trade, and not merely token use to maintain the registration** (emphasis supplied).”

Relevant Judicial Decisions

❖ ***Rong Thai International Group Co. Ltd. v. ENA Footwear Pvt. Ltd. & Anr., C.O. (COMM.IPD-TM) 100/2021***

10. “....A trademark is registered and entered into the register on 1st January 2020. The initial five years, which serve as a grace period during which the trademark cannot be challenged for non-use, extends until 1st January 2025. Thus, accounting for the three-month buffer period as envisaged in the provision, an application seeking removal of the trademark for non-use becomes viable from 1st March 2025 onwards. Now, let us assume an application for rectification was filed on 1st June 2035. In this scenario, the last relevant date for assessing non-use would be three months before this application date, which falls on 1st March 2035. Consequently, to determine whether the trademark ought to be removed from the register, we must assess whether there has been non-use for any continuous period of recent five years or more preceding 1st March 2035.”

Relevant Judicial Decisions

- ❖ *KRB Enterprises & Ors. v. M/s. KRBL Limited, FAO (COMM) 69/2024, CM APPL. 23568/2024 and CM APPL. 23569/2024*

58. “...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...The **“use of a mark”** in relation to goods is therefore, the use of the same upon, or in any physical or in **any other relation whatsoever**, to such goods. It is, therefore, **not necessary that the mark must only be used in a physical form in relation to such goods** (emphasis supplied), but may be used in any other relation whatsoever to such goods...”

59. “...In the present case, the Respondent has placed on record voluminous documents to show the use of its mark not only in relation to the goods, **but also in form of advertisement etc.**”

Conclusion

- ❖ The term ‘use of a mark’, as defined under Section 2(2) of the Trade Marks Act, 1999, has been interpreted broadly by Indian courts to encompass not only the conventional understanding of physical use of the mark affixed on goods or in relation to services, but also more dynamic and functional forms of use that reflect modern commercial realities. This includes instances such as pre-launch advertising, marketing campaigns, and promotional activities, provided such use is genuine, continuous, and made in the course of trade.
- ❖ While earlier judicial decisions such as *Kabushiki Kaisha Toshiba’s case* and *Pioneer Nuts’ case*—adopted a stricter view, holding that mere advertisement without concurrent or subsequent availability of goods in the market does not constitute use, recent jurisprudence has demonstrated a shift. In the recent decisions, courts have acknowledged that advertisements and promotional material, when supported by credible documentary evidence and a *bona fide* intent to use, may indeed qualify as use of the mark under the Act.
- ❖ Thus, the judicial interpretation of “use” under Section 2(2) has evolved to align with commercial practices, recognizing that pre-use advertisements can constitute valid trademark use. For instance, it would be sufficient if a party can demonstrate that it has taken a “preparatory step” to use the mark in India. However, it is well established that token use of a mark solely to maintain registration rights is not adequate to prevent non-use cancellation actions.

THANK YOU!

Questions?

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