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# WITNESS

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## INDIA'S ALL NEW LABOUR LAWS: AGGRESSIVELY SLOW?

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A PHOTO STORY



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YOUR WITNESS PLEASE!

# Trademark Search and Seizure in India - An Analysis

■ Vikrant Rana & Priya Adlakha



The 161st Report of the Parliamentary Standing Committee on Review of Intellectual Property Rights regime in

India explicitly mentions about the cumbersome procedures encountered in search and seizure process in trademark infringement proceedings under Section 115(4) of the Trade Marks Act of 1999 (hereinafter referred to as the Act for the sake of brevity).

## LEGAL PROVISION UNDER SECTION 115 (4) OF TRADE MARKS ACT, 1999

Section 115 of the Act provides for cognizance of offences and the powers of the police officer for search and seizure. The relevant extract of Section 115(4) of the Act which been stated to make the procedure of search and seizure in trademark infringement cases cumbersome is reproduced herein below:

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 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.

Hence, the two conditions entailed under the impugned provision prior to initiation of search and seizure process are that:

- The search and seizure shall be conducted by a police officer not below the rank of deputy superintendent of police or equivalent;
- The police officer, before making any search and seizure, shall obtain the opinion of the Registrar and shall abide by the opinion so obtained.



## RECOMMENDATIONS BY THE PARLIAMENTARY STANDING COMMITTEE

The Parliamentary Standing Committee while considering the aforesaid mandates under Section 115(4) of the Act, made the following recommendations in its report:

- The cumbersome procedures as regards to search and seizure operations in trademark infringements under Section 115 of the Act should be streamlined and simplified for improving and expediting investigations.

- That depending on the size and ongoing commercial activity of the district, one or more well-trained police officer specialized in tackling IP crimes should be deployed in place of a high ranking officer.

- That the officers being appointed should have an added responsibility of

enforcing IP laws in their respective jurisdiction.

- That a monitoring mechanism should be put in place to ascertain the reasons of delay in pursuing opinion from the Registrar along with a reasonable timeframe of 48 hours to render the opinion in a time bound manner.

- That digitalization can help whereby, Police Department and Office of Registrar can be connected through a specific software and there is no leakage of data by doing end to end encryption. This can help in reducing the time taken in getting permission for search and seizure.

## DPIIT'S RESPONSE TO RECOMMENDATIONS

In response to the aforesaid recommendation, the Department of Promotion of Industry and Internal

Trade (DPIIT) has also released its Action Taken Report<sup>1</sup>, wherein the Department has stated that a **proposal has been made to include a platform in e-TMR system, wherein the Police officers may file online request under Section 115 and concerned officer will provide its opinion within 24 hours** and that the proposal is being examined in consultation with Controller General of Patents Designs and Trademarks (CGPDTM).

## PROVISO TO SECTION 115(4) OF TRADE MARKS ACT AND OPINION OF THE REGISTRAR

The proviso to Section 115(4) 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 has been a bone of contention in several trademark cases for quite some time now and time and again there have been deliberations which reflect that the proviso acts as an impediment in search and seizure process.

## WHETHER IT IS MANDATORY TO TAKE OPINION OF REGISTRAR UNDER SECTION 115(4)?

The Indian Judiciary in several cases has been confronted with the issue whether it is mandatory to take opinion of the Registrar as stipulated under Section 115(4) of Trade Marks Act?

The Hon'ble Bombay High Court in the case of **Shrenik Shantilal Dhadiwal v. The State of Maharashtra and Ors.**<sup>2</sup>, was confronted with the said issue.

The Hon'ble Court in this case while referring to the statutory provision under Section 115 of the Trade Marks

Act stated that the Court shall not take the cognizance of a complaint unless there is a complaint in writing made by the Registrar and that the police officer before making any search or seizure obtains the opinion of Registrar on facts involved in the offence relating to trade mark and shall abide by the opinion so obtained.

Similarly, the Hon'ble Madras High Court in the case of **M/S. Venkateshwara & Co vs The Assistant Commissioner**<sup>3</sup>, refused to prosecute the applicants for trademark infringement as the mandatory procedure provided under Section 115 of the Act i.e. obtaining opinion of Registrar had not been complied with. Hence, the Court was of the view that the proceedings against the applicants would be a misuse of process of law.

The Hon'ble Rajasthan High Court in the case of **Pitambra Industries v. State of Madhya Pradesh**<sup>4</sup>, also took a similar view to hold the impugned search and seizure in the case made by the Police Officer without the opinion of the Registrar to be illegal and without jurisdiction. It was also held by the Court in the case that to obtain an opinion is a sine-qua-non and it must be complied to by the Police Officer at the time of search and seizure. Hence, such compliance was mandatory for the police officer prior to search and seizure in case an offence was registered under section 103, 104 and 105 of the Trade Marks Act.

An interesting view pertaining to the issue of non-compliance of provision under Section 115(4) and vitiating of trademark infringement proceedings against the accused was taken up by the Hon'ble Delhi District Court in the case of **State vs. Sanjay Malhotra**<sup>5</sup>. In this



case the accused argued that search and seizure in the case was vitiated due to non-compliance of section 115 (4) of Act. However, the Court opined that the accused's submission on non-compliance of section 115 (4) of Trade Marks Act was of no help as it is settled law that defects in investigation, if any, does not necessarily give benefit to the accused unless serious prejudice is shown to have been caused.

From the aforesaid judgments, it is abundantly clear that a consistent view of the High Courts has been that it is mandatory to obtain Registrar's opinion under proviso to Section 115(4) for initiating search and seizure procedure.

### **SECTION 115(4) OF THE TRADE MARKS ACT, 1999, AND ITS APPLICATION IN RESPECT TO SECTION 93 OF THE CODE OF CRIMINAL PROCEDURE, 1973**

Another intrinsic issue that has been raised with respect to provision under Section 115(4) i.e. whether proviso to Section 115(4) of the Trade Marks Act is not applicable to search warrants which are issued by the Courts under Section 93 of the Code of Criminal Procedure, 1973?

The Hon'ble Delhi High Court was confronted with this issue in the case of **Sanyo Electric Co. Thr. Its Constituted Attorney Pankaj Gupta v. State**<sup>6</sup>.



The Court in the case, rendered a detailed analysis of both the statutory provisions under Section 115(4) of Trademark Act and Section 93 of Code of Criminal Procedure and held that proviso to Section 115(4) does not override and obliterate the power of the court to issue a search warrant under Section 93 of the Code.

Pursuant to analysing both the impugned provisions, the Hon'ble Delhi High Court observed 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.

It was also held by the Court that the pre-requisite or pre-conditions for a search by a police officer without warrant under the proviso to Section 115(4) of the Trade Marks Act cannot be read into and made a precondition before a search warrant issued by a court under Section 93 of the Code of Criminal Procedure is executed.

The Court finally concluded that a judicial order of the court issuing warrant of search will be a paper order and unexecutable unless the Registrar gave a positive opinion under Section 115(4) and that this is not warranted by the language of the proviso or the legislative intent behind the proviso.

## MISUSE AND ABUSE OF PROCEEDINGS UNDER SECTION 115(4) OF TRADE MARKS ACT

As observed in the recommendations

forwarded by Parliamentary Standing Committee, often delay is caused in obtaining Registrar's opinion under Section 115(4) eventually delays the initiation of search and seizure procedure. The delay caused in many cases gives the infringer the opportunity to remove the infringing goods from the premises and thereby crippling the whole object of conducting of raid or search and seizure by the designated police officer.

Few of the shortcomings with which the proviso under Section 115(4) suffers is the non- stipulation of timeline or duration within which the Registrar has to render opinion and also that no specialized officer is designated for this purpose i.e. DCP from the IPR Division under the Economic Offences Wing of the Police.

## CONCLUSION

The Committee's recommendations and DPIIT's response with respect to Section 115(4) paves a positive path to mitigate the impediments caused in search and seizure process in trademark counterfeiting and infringement proceedings.

It is expected that the DPIIT's proposal to include a platform in e-TMR system, wherein the Police officers may file online request under Section 115 and concerned officer provides opinion within 24 hours soon sees light of the day as its implementation will strengthen the procedure of trademark protection and enforcement in India and prove to be a big boon for brand owners. [\[4\]](#)



**Vikrant Rana** is the Managing Partner of S.S. Rana & Co., a premier intellectual property and corporate law firm in India. Having majored in Economics, Vikrant has an in-depth understanding of the micro and macro factors influencing businesses, and his clients mention that he 'consistently exhibits great skills and knowledge combined with a friendly and direct approach'. Since the last few years, he has been ranked in the Silver band for trademark prosecution and strategy by the World Trademark Review. With his business understanding and experience of more than 25 years, Vikrant has been providing practical legal advice to many Fortune 500 companies as well as grassroot innovators and Start-Ups, on securing, protecting, enforcing and exploiting their Intellectual Property assets in India and world over.



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<sup>1</sup>The 169th Action Taken Report on Review of IPR regime in India has been tabled before the Rajya Sabha on April 05, 2022.

<sup>2</sup>Criminal Appl. No. 1289/07, Bombay High Court, August 1, 2018

<sup>3</sup>CRL.O.P.No.86 of 2019 on February 26, 2019

<sup>4</sup>2018(4) MPLJ 691

<sup>5</sup>FIR No. 81/09

<sup>6</sup>Crl. Rev. Petition No. 154/2010, Delhi High Court, August 30, 2010