

Trade Marks: Law, Compliance and Governance

In India, the legal and governance framework surrounding trade marks has evolved substantially to align with international standards, while addressing domestic challenges related to compliance and enforcement. With businesses expanding across borders and digital platforms, ensuring lawful use, ethical branding, and governance-driven IP management has become indispensable. This article analyses how an integrated framework of trade mark law, compliance, and governance can reinforce corporate credibility and foster sustainable economic growth.



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INTRODUCTION

In an increasingly competitive global market, trade marks serve as the cornerstone of brand identity, distinguishing the goods and services of one enterprise from another. Under Indian law, a trade mark is not confined merely to a name or logo, it includes any sign, word, phrase, numeral, symbol, device, label, shape of goods, packaging, or even a combination of colours or sound that can identify and distinguish the source of goods or services.

Beyond visual identity, a trade mark embodies trust, quality, and goodwill built over time. As corporate governance increasingly emphasizes transparency and accountability, the role of trade marks as indicators of ethical and lawful business conduct has gained prominence. It is a company's promise to its consumers, a guarantee of consistency and authenticity.

In India, the legal and governance framework surrounding trade marks has evolved substantially to align with international standards, while addressing domestic challenges related to compliance and enforcement. With businesses expanding across borders and digital platforms, ensuring lawful use, ethical branding, and governance-driven IP management has become indispensable.

This article analyses how an integrated framework of trade mark law, compliance, and governance can reinforce corporate credibility and foster sustainable economic growth.

LEGAL FRAMEWORK GOVERNING TRADE MARKS IN INDIA

The Trade Marks Act, 1999, (hereinafter referred to as the Act) along with the Trade Marks Rules, 2017, governs registration, protection, and enforcement of trade marks in India. Section 2(zb) defines a trade mark as a mark capable of distinguishing the goods or services of one person from those of others.

Key provisions include:

- Section 9: Absolute grounds for refusal (marks devoid of distinctive character or descriptive in nature).
- Section 11: Relative grounds for refusal (likelihood of confusion with an earlier mark).
- Sections 29, 134 & 135: Infringement and enforcement, including civil and criminal remedies.
- The Trade Marks Rules, 2017, introduced digital processes for filing and registration, simplifying compliance for both individuals and corporations.

COMPLIANCE IN TRADE MARK MANAGEMENT

Compliance in trade mark law involves adherence not only to registration procedures but also to continuous governance of use, renewal, and enforcement.

Registration and Maintenance

The process of trade mark registration begins with the filing of an application in Form TM-A, in which the applicant specifies the appropriate class of goods or services as per the Nice Classification. This classification ensures that trade marks are categorized systematically, reducing conflicts and facilitating easier management of rights across different industries. Proper filing lays the foundation for legal recognition and protection of a brand in India.

Once an application is submitted, it undergoes examination by the Registrar under Section 18(4) of the Act, read with Rule 33 of the Trade Marks Rules, 2017. During this stage, the Registrar reviews the application for compliance, checks for conflicting marks, and identifies any deficiencies. If issues arise, an Examination Report is issued, and the applicant is required to provide a written response within

one month from the date of receipt. This rigorous examination process ensures that only valid and distinct marks are registered, thereby maintaining the integrity of the trade mark system.

After successful registration, a trade mark must be renewed every ten years in accordance with Section 25 of the Act. Timely renewal is crucial because failure to comply with procedural requirements can result in the removal of the mark from the register, leading to a loss of legal protection. Maintaining active trade marks not only safeguards brand identity but also allows the owner to enforce rights against potential infringers, ensuring continued recognition and commercial value in both domestic and international markets.

- **Use and Non-Use**

Under Section 47, a registered trade mark may be removed if not used for a continuous period of five years. Hence, compliance extends to ensuring active commercial use of the trade mark and maintaining documentation, evidencing such use.

- **Licensing and Assignment**

Compliance plays a vital role in the assignment and licensing of trade marks, ensuring lawful transfer and use of proprietary rights. Under Section 48 of the Act, the concept of a registered user is recognised, allowing a licensee to use the trade mark lawfully under the supervision or control of the proprietor.

However, failure to record licensing or assignment arrangements with the Registrar may result in disputes regarding ownership, quality control, or validity of use, potentially leading to loss of rights. To prevent such risks, companies must maintain transparent documentation and ensure timely filing of requisite forms such as Form TM-P to record changes in proprietorship, licensee details, or user agreements.

- **Compliance by Third Parties**

Following publication of a trade mark in the Trade Marks Journal, the mark remains open to opposition for four months from the date of advertisement under Section 21 of the Act. During this period, any third party who believes that the registration of the mark would likely cause confusion, deception, or dilution of their existing mark may file a notice of opposition in Form TM-O.

This opposition mechanism not only ensures compliance but also upholds governance principles of transparency and public participation in the IP registration process.

The future of Trade Marks Governance in India lies in promoting trade mark literacy among SMEs and other corporates, strengthening Alternative Dispute Resolution (ADR) mechanisms in trade mark conflicts and Digital Vigilance.

GOVERNANCE AND ETHICAL OVERSIGHT OF TRADE MARKS

Governance in the realm of trade marks extends well beyond statutory compliance; it embodies the integration of ethical responsibility, corporate accountability, and strategic risk management within brand administration. Modern trade mark governance calls for aligning corporate trade mark strategies with broader principles of sustainability, transparency, and social responsibility, ensuring that brand identity reflects not only market value but also ethical integrity.

- **Corporate Governance and Brand Integrity**

A company's trade mark is a vital component of its goodwill and market reputation, serving as a key intangible asset in today's competitive economy. Effective corporate governance therefore demands the establishment of frameworks that safeguard both brand integrity and consumer trust. This includes ensuring that trade marks are not misleading, offensive, or contrary to public morality, thereby promoting ethical branding practices.

Furthermore, companies must adopt preventive measures against brand misuse, deceptive advertising, and other forms of consumer misrepresentation. Establishing internal policies for intellectual property (IP) asset management ensures that trade marks are created, used, and protected in line with ethical business principles.

In contemporary corporate practice, Boards of Directors are increasingly recognizing intellectual property as a strategic asset, integrating it into risk governance mechanisms and ESG (Environmental, Social, and Governance) frameworks. Incorporating trade mark oversight within the internal audit process enables systematic monitoring of IP assets alongside financial and operational controls, thereby reinforcing transparency and accountability in brand management.

- **Governance through IP Audits**

Regular IP audits constitute an essential tool of trade mark governance, providing a structured method to evaluate the strength, validity, and enforceability of trade mark portfolios. These audits help organizations identify potential infringement risks, assess licensing or commercialization opportunities, and ensure compliance with statutory requirements.

By systematically reviewing trade mark usage, registration status, and enforcement measures, IP audits enhance corporate transparency and foster informed decision-making. They also promote the broader governance objective of accountability, ensuring that intellectual property assets are efficiently utilized, lawfully protected, and ethically managed within the corporate structure.

ENFORCEMENT AND JUDICIAL TRENDS

The Indian judiciary has played an instrumental role in fortifying the governance framework of trade mark law by interpreting statutory provisions under the Act, in harmony with international obligations and evolving commercial practices. Judicial decisions have progressively emphasized the significance of protecting goodwill, consumer interest, and fair competition, thereby strengthening the compliance culture within the trade mark regime.

In *Whirlpool Corporation v. N.R. Dongre*, the Delhi High Court and subsequently the Supreme Court recognized the concept of well-known trade marks even in the absence of registration in India. The Court restrained the defendant from using the mark “Whirlpool,” holding that transborder reputation and global goodwill warranted protection. This judgment was pivotal in extending trade mark protection beyond territorial boundaries, aligning Indian jurisprudence with the principles embodied in the **Paris Convention for the Protection of Industrial Property (1883)** and the **TRIPS Agreement (1995)**, both of which stress protection of well-known marks irrespective of their registration status.

However, Indian courts have also demonstrated judicial restraint where infringement claims amount to trade mark bullying or where coexistence is commercially feasible. In *Burger King Corporation v. Burger King (Pune)*, the Supreme Court observed that the local entity’s operations were geographically restricted and did not intend to capitalize on the reputation of the international brand. Recognizing the absence of confusion or malafide intent, the Court held that peaceful coexistence was possible. This pragmatic stance ensures that trade mark law does not stifle fair competition or legitimate local enterprise.

In *Bata India Ltd. v. Fox Star Studios*, the Delhi High Court directed the film producers of Jolly LLB 2 to remove a dialogue that used the mark “Bata” in a derogatory context. The ruling reinforced that trade marks are not merely commercial assets but symbols of business reputation deserving protection from misuse or ridicule.

Further, in *Starbucks Corporation v. Sardarbuks Coffee & Co. (2018)*, the Delhi High Court dealt with the issue of *deceptive similarity* between the marks “Starbucks” and “Sardarbuks.” The Court observed that phonetic and visual resemblances were likely to cause consumer confusion, thereby infringing the plaintiff’s proprietary rights. The respondent was directed to alter its name, reaffirming the principle that no trader should exploit the established goodwill of another.

Similarly, in a recent case of *Amul v. Amuleti (2024)*, the Delhi High Court reaffirmed the broad protection

afforded to well-known trade marks, particularly in cases of cross-border infringement. The decision underscored that imitation or adaptation of an established mark, even when undertaken outside the territorial limits of India, can dilute brand distinctiveness and erode consumer confidence. This reflects an enhanced judicial sensitivity towards maintaining the integrity of well-known marks in a globalized economy.

INTERSECTION OF TRADE MARKS AND COMPETITION LAW

Trade mark law aims to safeguard the individuality and reputation of brands, yet its over-enforcement can sometimes create barriers to fair competition. When the assertion of trade mark rights turns exclusionary, such as through restrictive licensing conditions or aggressive enforcement, it may conflict with the broader principles of market equity. In this regard, the **Competition Act, 2002** acts as a counter-balance, seeking to prevent conduct that amounts to abuse of dominance or restrictive trade practices under the guise of intellectual property protection.

At times, proprietors of well-known marks may exploit their market power by demanding unreasonable royalty or licensing fees, or by obstructing parallel imports that could otherwise enhance consumer choice and reduce prices. The **Competition Commission of India (CCI)** has, in several instances, intervened in such matters, particularly in the pharmaceutical and technology sectors, where the invocation of IP rights risked undermining market access and innovation. These interventions emphasize that intellectual property and competition law are not opposing forces; rather, they function in tandem to ensure both incentives for creativity and freedom of trade.

Therefore, sound corporate governance in the field of intellectual property must strike a careful equilibrium, protecting the exclusivity granted by trade mark rights while maintaining a level playing field that encourages competition, efficiency, and public welfare.

GLOBAL COMPLIANCE AND GOVERNANCE TRENDS

The expansion of international trade and digital commerce has transformed trade mark protection from a purely domestic concern into a matter of global compliance. Following India’s accession to key international agreements such as the **Paris Convention for the Protection of Industrial Property (1883)**, the **Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)**, and the **Madrid Protocol (2013)**, Indian trade mark governance has become increasingly aligned with international norms. These frameworks collectively facilitate mutual recognition of rights, standardized registration processes, and cooperative enforcement mechanisms across jurisdictions.

The **World Intellectual Property Organization (WIPO)** plays a pivotal role in harmonizing global trade mark practices. As the administrative body overseeing both the Paris Convention and the Madrid System for the International Registration of Marks, WIPO fosters uniformity in IP administration. Its modern initiatives, such as the Global Brand Database, the WIPO Lex legal resource, and the Intellectual Property Office Digitalization (IPOD) project have strengthened transparency, accessibility, and cross-border enforcement capabilities. These tools have also enabled countries like India to streamline IP governance and enhance institutional cooperation in protecting brand integrity internationally.

Domestically, initiatives such as the Digital India Mission and Start-up India Programme have further advanced the cause of IP awareness and efficiency. The adoption of online mechanisms like the IP India Portal has simplified application and monitoring processes, reducing procedural bottlenecks. Consequently, corporations and brand owners are now expected to align their internal compliance frameworks with global best practices, ensuring consistency in trade mark management across borders and mitigating risks of brand misuse in the digital ecosystem.

ROLE OF COMPANY SECRETARY

The role of the Company Secretary has evolved beyond statutory compliance to include active oversight of intellectual property governance. Within the context of trade mark management, several legal and regulatory provisions define the framework of responsibilities, linking IP administration directly to corporate governance and disclosure standards.

- **Compliance Calendar**

The Company Secretaries play a crucial role in managing the trade mark compliance calendar, ensuring that all statutory obligations are met in a timely manner. Under Section 25 of the Act, and Rules 57-61 of the Trade Marks Rules, 2017, the Company Secretaries oversee the renewal of trade marks every ten years, while also keeping track of deadlines for oppositions and rectifications under Rule 44.

This function forms a key component of the organization's broader compliance framework and exemplifies the CS's responsibility for due diligence and supervision, as outlined in Clause 10 of the ICSI Code of Conduct. By monitoring these timelines meticulously, the Company Secretary helps prevent lapses in trade mark protection and safeguards the company's brand from potential dilution or misuse.

- **Record Maintenance**

The Company Secretaries are responsible for systematic maintenance of trade mark records,

including assignments, licenses, and ownership transfers, ensuring that all intellectual property assets are properly documented and traceable. This duty is grounded in Sections 37-45 of the Act, and Rule 75 regarding the Register of Proprietors, and aligns with Section 88 of the Companies Act, 2013, which mandates the upkeep of statutory registers.

Extending this principle to intellectual property, the Company Secretaries ensure that IP assets are maintained in a manner that is both auditable and transparent, forming an essential part of the organization's corporate asset management and governance framework.

- **Board Reporting**

The Company Secretaries play a key role in board reporting, ensuring that all material developments affecting the company's operations are accurately disclosed in the Board's Report as required under Section 134(3)(m) of the Companies Act, 2013 and Rule 8(3) of the Companies (Accounts) Rules, 2014.

This includes providing updates on trade mark-related matters such as ongoing litigation, asset impairments, or changes in brand valuation. By assisting the Board in preparing these disclosures, the Company Secretaries ensure that the information presented is transparent, complete, and compliant with statutory reporting obligations, thereby supporting informed decision-making and reinforcing corporate governance practices.

CHALLENGES IN TRADE MARK GOVERNANCE

Despite significant strides in harmonising trade mark law and administrative mechanisms, a number of structural and operational challenges continue to impede effective governance. One of the foremost issues is the persistent backlog in trade mark registration and opposition proceedings, which delays both recognition and enforcement of rights. Prolonged pendency undermines investor confidence and discourages innovation, particularly among emerging enterprises.

Another pressing concern is the limited awareness of trade mark law among small and medium enterprises (SMEs) and start-ups. Many businesses fail to appreciate the commercial value of their intangible assets, leading to weak brand protection and vulnerability to imitation. Furthermore, enforcement mechanisms remain uneven across rural and semi-urban regions, where counterfeit goods and unregistered trade practices often go unchecked due to inadequate institutional oversight.

To overcome these challenges, governance reforms must prioritise capacity building within IP offices, comprehensive digitisation of trade mark administration, and collaborative enforcement models that involve both public institutions and private stakeholders. Such initiatives would not only enhance administrative efficiency but also strengthen compliance and transparency across the trade mark ecosystem.

THE WAY FORWARD: STRENGTHENING TRADE MARK GOVERNANCE

The future of trade mark governance in India lies in the adoption of integrated and forward-looking strategies that combine legal reform, technological innovation, and stakeholder engagement.

First, promoting trade mark literacy is essential. Regular training and awareness programmes for SMEs, entrepreneurs, and creators can help them understand the commercial and legal importance of brand protection. Increased literacy would translate into better compliance and proactive registration.

Second, there is a growing need to strengthen alternative dispute resolution (ADR) mechanisms in trade mark conflicts. Encouraging mediation and arbitration can lead to quicker, more cost-effective settlements, reducing the burden on courts and enabling parties to preserve business relationships while resolving disputes amicably.

Finally, digital vigilance must become a core component of modern trade mark governance. The deployment of AI-driven monitoring tools for detecting online infringements, domain name misuse, and counterfeit listings can significantly enhance the enforcement landscape. By embracing technology and promoting cooperative governance, India can create a trade mark ecosystem that is both robust and adaptive to global market realities.

CONCLUSION

In the era of globalisation and digital transformation, trade marks are not mere legal instruments but pillars of good governance and ethical business conduct. An effective trade mark framework ensures consumer trust, fosters innovation, and enhances corporate reputation. Compliance with legal mandates, coupled with governance-led oversight, can transform trade marks into strategic assets that contribute to sustainable business growth and national economic development.

By fostering a culture of lawful creativity and ethical brand governance, India can continue its journey towards becoming a Viksit Bharat, a self-reliant, innovation-driven economy where intellectual property is both respected and responsibly managed.

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