

Expanding Boundaries Of Scope Of Trade marks: An Appraisal

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ABSTRACT

Trademark is a valuable business asset and a marketing tool which could help in financing of the business in a smooth way. A great revolution was found in the sphere of economic and financial arena due to Industrial revolution. Industrial revolution increased the production of goods. Through the printing media the publicity and the advertisement of those goods were started. The manufacturers or the suppliers of goods had started to provide different identifying marks to their goods or services. They started to do it to provide better protection to their goods. Trademark is one of the areas of the intellectual property and its purpose is to protect the mark of the product or that of a service. It helps the customers to identify the goods or services easily. So, it is clear that trademarks greatly and significantly affect the financial and mercantile developments of a country. The aim of this Article is to discuss the expanding boundaries of scope of trademarks in the contemporary arena of globalization.

Introduction

A trademark includes a brand, device, name, signature, word, numeral, letter, heading, label, ticket, symbol mark etc. Registration of trademark is not mandatory but in the present scenario there is increasing infringement and a lot of cases are challenged so it is advisable to the manufacturers to register their Trademarks. A trademark can thus be called a device that gives distinctiveness and a mode of identification to a particular product or to a particular service. A trademark is defined as a mark capable of being represented graphically and which is capable of distinguishing the goods and the services of one person from those of others and

may include the shape of goods, their packaging and combination of colours. There is also a need for trademarks to be globally protected in the era of globalization.

Brand is also coming under the purview of a trademark. A trademark may function to symbolize or guarantee the quality of goods which bear the trademark. People are often induced to buy a particular product due to its distinctive trademark that denotes the quality. Trademark symbolizes the value or the goodwill associated with the goods and which can be assessed by the extent to its perception in the public mind with regards to its quality and specific source.

An increasing number of countries also allow for the registration of less traditional forms of trademarks such as single colour, three dimensional signs (shapes of product packaging), audible signs (sounds) or olfactory signs (smell) etc. This is suggested because most have regional or local name brands and most constantly push these weak names while struggling to get global clearance. Trademarks are generally placed in any manner on the goods, their containers, and display or on tags or labels attached to the goods or the service. The immense economic value, which a successful trademark has, is the primary reason for their protection under the law. Trade mark owners by powerful advertising campaigns in collaboration with licensees create a brand loyalty and establish the product differentiation.

Distinction between Trade mark and Property Mark -

The object of trademark law is to prevent an injury to the goodwill and reputation of the manufacturer who is the real owner of the trademark and it also helps the customers that they must not be misled as to the product, services or their sources.¹ Trademark helps the buyers to identify the sources of the goods and it also assures the customers regarding the quality of the goods. On the other hand, according to Sec.479 of the Indian Penal Code a property mark means a mark used for denoting that a movable property belongs to a particular person.

In *Sumat Prasad Jain vs. Shejanan Prasad and others*,² a 3 Judges Bench of the Supreme Court of India has observed that the concept of a trade mark is distinct from that of a property mark.

Service Mark - Service mark is denoted by the letters SM. A service mark is generally adopted so that it can play a crucial role in the marketing, promoting and sales of a product or

¹ Dr. Reddy G.B., *Intellectual Property Rights and the Law*, Gogia Law Agency, (2017), p. 257.

² AIR 1972 SC 2488.

service, it also plays the role of referring to a particular quality or standard for which the service mark is used. The Trade Marks Act, 1999 has changed this position and at present it provides for registration of a 'service mark'. The Act defines 'Service' as under: "Service means service of any description which is made available to potential users and includes the provision of services in connection with business of any industrial or commercial matters such as banking, communication, education, financing, insurance, chit funds, real estate, transport, storage, material treatment, processing, supply of electrical or other energy, boarding, lodging, entertainment, amusement, construction, repair, conveying of news or information and advertising."

So we can say that a very comprehensive definition has been given to the 'service' under the Act. The 1999 Act makes the service marks register able but what is important is that, for validity claiming service mark protection, the service must be made available in connection with business of any industrial or commercial matters including those which are mentioned in the definition. It is not necessary that the service must be made available to not only the actual users but also the potential users.

Numerals - Combination of Numerals can also be used as a trade mark. For example '555' is a successful brand of cigarettes.³

In *Shaw Wallace & Co. Ltd. vs. Superior Industries Ltd.*,⁴ The Delhi High Court held that a person may have a right of Trade mark in numerals.

Label and Ticket - Label means a composite mark, usually painted on a paper and attached on the goods themselves. A ticket may be said to be a label which is remained attached on goods. Some examples are- well-known brands of readymade clothes like Flying-machine Jeans, 'Freeman' undergarments etc.⁵

Collective Mark - A collective Mark is one which is used by members of a co-operative association, union or other collective group or other group or organization to identify the source of the goods or the services. A collective mark means a mark which is utilized for the goods and the services with same characteristics which are to be traded by one or more

³ Dr. Reddy G.B., *Intellectual Property Rights and the Law*, Gogia Law Agency, (2017), p. 262.

⁴ 2003 (3) RAJ 224 (Del.).

⁵ Dr. Reddy G.B., *Intellectual Property Rights and the Law*, Gogia Law Agency, (2017), p. 261.

person acting jointly or legal entity for differentiation with other goods or services of same kind.

A collective mark means a trade mark distinguishing the goods or services of the members of an association of persons, not being a partnership firm, which is the proprietor of the mark, from those of others.⁶

There are two types of Collective Marks or the legal entity for the differentiation with the other goods or the services of same kind. They are-

I. Collective Membership Mark- These marks are not used to indicate source of goods or services but they indicate that the seller is part of a defined group.

II. Collective Trademarks and collective Service marks- These are used to indicate the source. Such collective marks are used by a group to indicate that the goods or the services offered by each individual member of the group are products or services of the collective.

A collective mark is for use by the individual members of an organization but it is registered as a whole. That is a collective mark may be used by the collective association which owns the mark. So the collective is the owner of the mark. A conceptual problem may arise when an association is unincorporated because an unincorporated association does not have legal personality and so it cannot normally own property itself.

Certification Mark - A certificate is evidence or probative matter providing the assurance that some act has or has not been done or some event has occurred or some legal formality has been complied with. A certification Mark is a mark which indicates that certain qualities of the goods or the services in connection with which the mark are used is certified.

Well-known Trade Marks - The Trade Marks Act, 1999 introduces a new concept in the form of 'well-known trade mark'. Section 2(zg) of the Act defines this expression. "Well-known trade mark", in relation to any goods or services, means a mark which has become so to the public who uses such goods or receives such services that the use of such mark in relation to other goods or services would be likely to be taken as indicating a connection in

⁶ Under Section 2(g) of the Act of 1999.

the course of trade or rendering of services between those goods or services and a person using the mark in relation to the first mentioned goods or services.

In *Kamal Trading Co. and Ors. vs. Gillette UK Limited*,⁷ injunction was sought against the defendants who were using the mark 7'O Clock on their toothbrushes. The Bombay High Court, which held that the plaintiff had acquired an extensive reputation all over the world including India by using the mark 7'O Clock on razors, shaving creams, as such it was a well known mark. The use of an identical mark by the defendant would lead to the customer being deceived. As such, the defendant was prohibited from using the mark.

In *Whirlpool Co. And Anr. vs N.R. Dongre And Ors.*,⁸ the plaintiff i.e., Whirlpool had not subsequently registered their trademark in India. However, the plaintiff by virtue of use and advertisements in International Magazines had a worldwide reputation and used to sell their machines in the US embassy in India. In the mean time, defendant started using the impugned mark on its washing machines. Thereafter the plaintiff brought an action against the defendant and the court held that the plaintiff had an established 'transborder reputation' in India and hence the defendants were given injunction from using the same for their products.

Trademarks Designated as Well-known trademark -

There are a few marks which the Indian Trademark Office has explicitly recognized as well-known trademark. These are basically marks which have been determined so by a competent adjudicating authority like the High Courts in India, Intellectual Property Appellate Board and the Supreme Court through their observations in judgments.

In *Daimler Benz Aktiegesellschaft ... vs Hybo Hindustan*,⁹ the court observed that, "It will be a great perversion of the law relating to trademarks and designs, if a mark of the order of the 'Mercedes Benz'... is humbled by indiscriminate colourable imitation by all or anyone." Today, in Section 29 of the Trade Marks Act 1999 dilution as a concept finds statutory recognition.

Domain Name - In the present time every business on the web has a domain name- a unique address in cyber space at which the website is located. Nowadays businesses both big as well as small have web pages online as the producer and the consumer are distantly located as well

⁷ 1988 (8) PTC 1 (Bom.).

⁸ (1996) PTC 415 (Del).

⁹ AIR 1994 Delhi 239.

as every business is going global the other reason is that the Internet has become an indispensable tool in the business. The system came to be developed as IP numbers are difficult to remember hence came up the Domain Name System (DNS) in the era of globalization.

A user of the internet will find the domain name highly useful in finding the goods or the services that he intended to find. But sometimes a particular name of a highly acclaimed business or person may be appropriated and may be passed off as the genuine one. This has happened to Maruthi, Tata, and Google. People reach a website or domain name through a website or a URL (Uniform Resource Locator) Cyber squatting or Cyber piracy generally refers to registration of another party's mark as a domain name for the purpose of either selling the domain name to a legitimate owner at a profit or for trading upon the goodwill associated with a mark.¹⁰ Domain name has to be relevant to the services or the product offered and it has to be unique and distinct. It is advisable to all to hire a search firm to find out if a particular domain name is available or not. There are many trademark consultants or the trademark brokers who specialize in this kind of domain name search services.

Trade Dress - Trade dress refers to the combination of elements that make up the look, feel, or environment of a product or business; the term can refer to individual elements of a product or business image as well as to the image the combination of those elements creates as a whole. We can say that Trade Dress is non functional physical detail. Trade Dress can be mere colouring, surface ornamentation or a general appearance; a design patentable invention has to be a shape or appearance of a specific article which is more than a surface appearance, which relates to the overall appearance of the article. Trade Dress may be protected under Lanham Act in U.S. It is advisable for every manufacturer to protect his trade dress as it can be easily copied by the infringers.

Trade Dress may include a few important features like:-

- Packaging
- Size
- Shape
- Colour

¹⁰ Scott Micheal D, 'Scott on Information technology Law', Aspen Publishers, 3rd edition, pg.192.

- Colour Combination
- Texture
- Graphics
- Design
- Placement of words and decorations on a product
- Particular Sale Technique

Shape - Differentiation of one product from another ensures that the customers do not get confused by similar products. M Porter has said that differentiation is the key to competitiveness in today's dynamic customer driven market.¹¹ The shape of a product may be registered as a trademark as long as shape is not functional. A shape is functional if it affects the products use or performance.¹²

Sound - Every country follows some various provisions for registering of sound, marks. A sound mark is a sign that is not itself capable of being perceived visually then the sound must be represented graphically by means of clear and objective images lines or characters, rather than a mere written description of a sound, this requires that the sound is represented by notes.¹³ The graphical representation of the notes is also required in certain cases. Sound Marks like that of Nokia, MGM Corporation have been successfully registered. An onomatopoeic sound cannot be registered. In India sound marks are being registered after the new Trademark Act of 1999, which came into effect in 2003. Whenever a Sound trademark, is registered there is a definite certainty that the uniqueness of the particular sound has to in every possible way be distinct and distinguishable from others.

Smell - This is a nontraditional type of trademark. They are also called as Smell trademarks. There is a huge difficulty in registering this type of trademarks as there is no graphical representation as well as due to its high level of peculiarity for example we can say, the smell of a perfume strawberry etc.

¹¹ Vinod Soplay, Managing Intellectual Property (PHI Learning Pvt Ltd, 2006) pg.106.

¹² Deborah E Bouchoux, Protecting your company's Intellectual Property (AMACOM Div American Mgmt Assn, 2001) Pg.20.

¹³ www.worldtradereview.com as on 7th May 2009.

In some countries the Smell marks are accepted if they are included with a graphical representation. Smell trademark is sometimes protected under the copyright. Many smells are associated with a particular manufacturer or trader. In some cases a particular scent is also a product by itself and in other cases it is a scent applied or added to the product not the natural smell of the product itself.

Different countries have adopted different methods of Registration of Trademarks. Germany allows trademarks to be registered if they are distinctive. But it has not found a way to represent olfactory signs graphically in the requisite clear, precise, self contained, easily accessible, intelligent, durable and objective manner.

Distinctiveness of Trade Mark - In the case of Laxminarayan Karva vs. S. N. Khubch and Karva,¹⁴ distinctiveness has been understood as a quality which helps to distinguish the goods of one producer from others. It is not necessary that every part of a mark should be distinctive.

It is found in the proviso to Sec. 9(1) of the Act of 1999 that a trade mark shall not be refused for registration, if before the date of application for registration; it has acquired a distinctive character.

So, a distinctive trade mark means a mark which distinguishes the goods to which it is attached as those made by the person who uses the mark. If the trade mark is not distinctive or resembles to other trademarks, it will be an absolute ground for refusal for the registration of the trade mark.

Conclusion

Intellectual Property Rights allow people to assert ownership rights on the outcomes of their creativity. Intellectual Property arises out of the human labour. A trademark is any sign that individualizes the goods of a given enterprise. Every intelligent consumer when he wants to purchase a product and when he purchases his goods or he hires services from the commercial market only when he is satisfied that the goods or services are of good quality and the goods have a good reputation in the market. The manufacturer of goods makes it sure that although the goods produced by him are similar to those manufactured by others, their distinguishing marks are different.

¹⁴ AIR 1975 Mad.112.

The Trade Marks Act 1999 was passed by the Government so that the Indian Trademark Law will be made in compliance with the TRIPS obligation on the recommendation of the World Trade Organization. The object of the 1999 Act is to give the protection to the user of the trademark on his goods. After making the discussion on the expanding boundaries of scope of Trademarks we can find different types of trademarks in the contemporary world of business and commerce.

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