

Trade Mark: Concept, Infringement, Remedies, Registration and International Regimes

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Intellectual property is the creation of human mind, human intellect and hence called “Intellectual Property”. Intellectual property, although a hidden property is an important means of accumulating tangible wealth. It is remarkable that with every property comes the question of its protection and security. The Intellectual properties have different kinds of dangers. If tangible property can be stolen, an intellectual property has the fear of being pirated. Some of the common forms of intellectual property rights are Patent, Copyright, Trademark, Design, and Geographical indications etc. Intellectual property is in the nature of intangible or incorporeal property, which means, a property which has no physical appearance but exists only in the eye of law. Intellectual property rights encourage and inspire inventors and creators to apply their creative works for the benefits of society. It grants exclusive rights to the creator over creative and inventive work.

The nature of protection granted to Intellectual property is generally in the form of exclusive rights for a limited period of time. Exclusive rights mean rights that can be exercised by the holder of Intellectual Property right to the exclusion of others. The awareness of Intellectual property has increased dramatically among Indian people since 2005. Technology and knowledge driven companies consider Intellectual property as an integral part of their business operations and strategy. In present situation Intellectual property has become crucial for many industries ranging from entertainment to knowledge and technology.

The Trade and Merchandise Marks act was passed in the year 1958. Since then it has been amended several times. Moreover, in view of developments in trading and commercial practices, increasing globalisation of trade and industry the need to harmonize trade mark management systems, it was considered necessary to bring out a comprehensive legislation on the subject.

Accordingly the Trade Marks Bill, 1999 was introduced in the Parliament.

CONCEPT OF TRADEMARK

A Trademark means a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others and may include shape of goods, their packaging and combination of colours. Mark includes a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof. This meaning and definition is not exhaustive and the definition is such that there is practically no limit to the combination of various types of marks.

A Trademark is a symbol which is applied or attached to goods offered for sale in the market, so as to distinguish them from similar goods and to identify them with a particular trader or with his successor as the owner of a particular business, as being made worked upon, imported, selected, certified or sold by him or them or which has been properly registered under the Acts as the Trademark of the particular trader. It is a symbol consisting in general of a picture, label word which applied or attached to a trader's goods.

A party acquires exclusive right to protect its mark by virtue of priority in adoption, long continuous and exclusive user and any subsequent user of the deceptively similar mark or trademark which is of confusing nature on account sound and look is guilty of infringement of the right of the prior user of the mark as his obvious motive is to trade and encash upon the goodwill and reputation of the prior user. Reputation and goodwill is not established in a day. It is gained over years and at the huge cost of advertisement. Trademark is essentially adopted to

advertise one's product and to make it known to the purchaser. It attempts to portray the nature and if possible, the quality of the product and over a period of time the mark may become popular. It is usually at this stage that other people are tempted to pass off their products as that of the original mark.

Infringement of a Trademark occurs if a person other than the registered proprietor or registered user, uses the same mark or a deceptively similar mark, in relation to the same goods or services for which the mark is registered. The totality of the impression the trademark produced should be such as to cause confusion or deception in the mind of the purchasers. Considerable chances of confusion by a substantial proof is the main test to find out whether the infringing mark is deceptively similar to the infringed mark. The test of comparison of marks side by side is not a sound one since a purchaser will seldom have two marks actually before him when he makes his purchase. The eye is not accurate recorder of visual detail and that marks are remembered rather by general impression or by some significant detail than by any photographic recollection of the whole.

Before Trademark was recognised by statutory enactments, the court Equity granted it reasonable protection. The trademark owners file suits complaining about infringement. The first statutory protection prior to Independence of India was given to trade mark through the Trade Marks Act, 1940. This Act was based on the Trade Marks Act, 1938 of England. The Act of 1940 introduced a machinery for registration and for providing statutory protection to trade marks.

THE FUNCTIONS OF TRADEMARK

A trade mark serves the purpose of identifying the source of origin of goods. Trade Mark performs the following four functions:

- 1) It identifies the product and its origin.
- 2) It guarantees its quality.
- 3) It advertises the product.
- 4) It creates the image of the product in the minds of consumers.

PROCEDURE FOR REGISTRATION OF TRADEMARK

- 1) Section 18 of the act Application of registration – any person claiming to be the proprietor of a trademark used or proposed to be used by him, who is desirous of registering it, shall apply in writing to the registrar in the prescribed manner for the registration of his trademark. A single application can be made for registration of trademark for different classes of the goods and services and fee payable in respect of each such class of goods and services. Every application shall be filed in the office of Trademark registry within whose territorial limits the principal place of business in India. The registrar may refuse the application or may accept it absolutely or subject to such amendment, modifications, conditions or limitations, if any, as he may think fit. In the case of a refusal or conditional acceptance of an application, the registrar shall record in writing the grounds for such refusal or conditional acceptance and the materials used by him in arriving at his decision.
- 2) Section 20 of act Advertisement of application – when an application for registration of a trademark has been accepted the registrar shall as soon as may be after acceptance cause the application as accepted together with the conditions or limitations if any, subject to which it has been accepted to be advertised in the prescribed manner.
- 3) Section 21 of act Opposition to registration – any person may within three months from the date of advertisement or re-advertisement of an application for registration or within such further period as the registrar on application made to him in the prescribed manner and on payment of the prescribed fee, allows, give notice in writing in the prescribed manner to the registrar of opposition to the registration.
- 4) Section 23 of act Registration – subject to the provision of section 19, when an application for registration of a trademark has been accepted and either the application has not been opposed and the time for notice of opposition has expired, or the application has been opposed and the opposition has been decided in favour of the applicant, the registrar shall unless the Central Government otherwise directs, register the said trademark and the trademark when registered shall be registered as of the date of the making of

the said application and that date shall, subject to the provisions of section 154, be deemed to be the date of registration. On the registration of a trademark the registrar shall issue to the applicant a certificate in the prescribed form of the registration thereof, sealed with the seal of the Trade Marks Registry. Where the registration of a trademark is not completed within twelve months from the date of the application by reason of default on the part of the applicant, the registrar may, after giving notice to the applicant in the prescribed manner, treat the application as abandoned unless it is completed within the time specified in that behalf in the notice. The registrar may amend the register or a certificate of the registration for the purpose of correcting a clerical error or an obvious mistake.

ESSENTIALS OF INFRINGEMENT

In order to constitute infringement of a trademark the following elements must be present:

- 1) Using registered trademark by a person other than its registered proprietor or registered user.
- 2) Using either the whole of the registered trademark or an adapted one by making a few additions and alterations.
- 3) Using such infringing mark in relation to the regular trade of the registered proprietor or user.
- 4) The infringing trademark is identical or similar to the trademark already registered.
- 5) The likelihood of causing confusion to the public
- 6) Advertising of the trademark registered as if it is owned by the unauthorised user etc.

It may be noted that all or any of the aforesaid factors would constitute an infringement of a trade mark.

INTERNATIONAL REGIME OF INTELLECTUAL PROPERTY RIGHTS:

TRIPS Agreement

The world has become a global village due to the giant leaps taken by the mankind in Research & Design, Science and other fields. Along with the growth in industrial sector, the need for a world-body to regulate the world trade has also increased. The result of the endeavour of the national to bring into existence a world-body to regulate the International trade is the World Trade Organisation (WTO). The agreement

establishing WTO was concluded at Marakkesh on April 15, 1994 and it came into force on January 1, 1995. Under the auspices of the General Agreement on Tariffs and Trade (GATT), the Agreement culminated in the eight year Uruguay Round Negotiations. One agreement of the WTO containing far reaching provisions for Intellectual Property is the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) which constitutes Annex 1C of the Marakkesh Agreement, binding on all the members of the WTO.

The TRIPS had been included in the multi lateral trade talks for the first time. It requires the member nations to establish a minimum level of IPR protection in their National laws. Failure to comply with these minimum requirements will expose the defaulting states to the enforcement provisions of the WTO.

Objects of TRIPS:

The TRIPS agreement has the following objects, as can be seen from the introductory note to the Agreement:

- 1) To reduce distortions and impediments to International trade by taking into account the need to promote effective and adequate protection of Intellectual Property Right and to ensure that measures and procedures to enforce Intellectual Property Right do not themselves become barriers to legitimate trade.
- 2) To provide a multilateral framework of principles, "rules and disciplines dealing with International trade in counterfeit goods.
- 3) To cater to the special needs of the least developed countries in respect of maximum flexibility in the domestic implementation of laws and regulations in order to enable them to create a sound and viable technological base.
- 4) To resolve disputes on trade related Intellectual Property issues through multilateral procedures.
- 5) To establish a mutually supportive relationship between the WTO and WIPO as well as other relevant organisations.
- 6) To provide for adequate standards and principles concerning the availability, scope and use of trade related Intellectual Property Rights.
- 7) To provide effective and expeditious procedure for the multilateral prevention and settlement of disputes between Governments.
- 8) To provide effective and appropriate means for the enforcement of trade related Intellectual

Property Rights, taking into consideration differences in National Legal system.

Therefore the main object of the TRIPS is to lay down standards concerning the availability, scope and use of IPR more particularly copyright and related rights, Trademarks, Geographical indications, Industrial designs, Patents, Layout designs of Integrated circuits, Protection of undisclosed information and control of Anti-competitive practices in contractual licenses. The basic principles followed by TRIPS are Rational Treatment and most favoured Nation Treatment.

WORLD INTELLECTUAL PROPERTY ORGANISATION (WIPO)

The most important International organisations for the promotion of Intellectual Property worldwide is the WIPO, established in 1967. The convention establishing the WIPO was signed at Stockholm on July 14, 1967. WIPO's predecessors were the International Bureaus of the Berne and Paris Unions, supervised by the Swiss Federal Council and united in an organisation called Bureau International Reunis pour La protection de la Propriete Intellectuelle, known as BIRPI. It has 157 states as members in 1996 as on January 1. The WIPO has its Head Quarter in Geneva and it is a specialised body of the U.N.O. It has the following objective:

- 1) To promote the protection of intellectual property throughout the world through co-operation among the states and where appropriate in collaboration with any International organisation: and
- 2) To ensure administrative co-operation among the Unions.

Functions of WIPO

Article 4 of the Convention establishing WIPO clearly set out the functions of WIPO. The organisation (through its appropriate organs) has the following functions:

- A) To promote the development measures designed to facilitate the efficient protection of Intellectual Property Rights throughout the world and to harmonise the national legislation in this field.
- B) To perform the administrative tasks of the Paris Union, the Special Unions established in relation with the Union, and the Berne Union.

- C) To encourage the conclusion of international agreements designed to promote the protection of intellectual property.
- D) To offer its co-operation to states requesting legal and technical assistance in the field of Intellectual Property.
- E) To assemble and disseminate information concerning the protection of intellectual property, carry out and promote studies in this field, and publish the results of such studies.
- F) To maintain services facilitating the International protection of Intellectual Property and wherever appropriate, provide for registration in this field and the publication of the data concerning the registration etc.

Considerable chances of confusion by a substantial proof is the main test to find out whether the infringing mark is deceptively similar to the infringed mark. The test of comparison of marks side by side is not a sound one since a purchaser will seldom have two marks actually before him when he makes his purchase. The eye is not accurate recorder of visual detail and that marks are remembered rather by general impression or by some significant detail than by any photographic recollection of the whole.

BERNE CONVENTION

The International Union for the Protection of Literary and Artistic works was first established in 1886 in Berne, Switzerland. It is popularly known as the Berne Union or Berne Convention. It came into force on 5th December, 1887 and has been revised five times with two additions and is administered by WIPO. The latest text is that of the Paris revision 1971. As on January 1, 1996 there were 117 states which became parties to the Berne convention.

The Berne Convention has 38 Articles and an appendix incorporating special provisions for the developing countries. The substantive provisions of Berne are found in the first 20 articles, followed by administrative provisions. The convention's scope and application is very broad incorporating "literary and artistic works" which include every production in the literary, scientific and artistic field, irrespective of the mode or form of its expression. Therefore works such as choreography, painting, and architecture, compilation and derivative works, and even the

industrial designs find protection under the Berne convention. The published and unpublished works of authors, who are the nationals of member countries are covered under the protective umbrella of the convention.

The convention has established a minimum term of protection of life plus 50 years or an alternative of 50 years from publication for anonymous and pseudonymous works. It also recognises certain limitations to the exclusive rights such as fair use privilege and a possible limitation on the right of recording of musical rights, Berne convention requires that the author's moral rights to be recognised and respected beyond life of the author. The developing countries have been given certain privileges beginning with the Stockholm revision in 1967. Similar privileges are found in the appendix to the Paris text of 1971. India is a member of the Berne convention. These provisions go long way in preventing the plagiarism and other forms of violation of copyrights and neighbouring rights.

UNIVERSAL COPYRIGHT CONVENTION

The Universal Copyright convention (UCC) was signed and entered into force on September 6, 1952 and it was revised in 1971 at Paris. Even though the Berne convention has been the mainstay at International Copyright, certain major states like U.S.A., Soviet Union and China did not join it. Therefore the UCC was developed as an alternative to Berne convention to allow these countries to participate in an International agreement. The UCC is under and administered by the UNESCO of the UNO. The basis of the UCC is the National treatment and also the requirement of maintenance of specific minimum legal standards by each contracting state. The contracting states are under an obligation to provide adequate and effective protection of the rights of authors and other copyright proprietors.

The protection given is for published as well as unpublished works. The convention limits the formalities that can be required of works first published outside the territory of a member state. For such works the only formalities allowed are that all the copies of the work bear symbol accompanied by the copyright proprietor's name and the year of first publication placed in such conspicuous manner so as to be noticed easily. The member countries must grant

a minimum copyright term of 25 years from publication life of the author plus 25 years. The foreign authors of other member countries must be granted exclusive rights for at least seven years.

One notable feature of the UCC is that it contains a Berne Safeguard Clause which prohibits a Berne convention country from denouncing Berne convention and relaying on the UCC in its copyright relations with members of the Berne convention. The UCC was revised in Paris in 1971, in response to demands made by the developing countries. Special provisions allow the developing countries to obtain compulsory licences under certain conditions to translate copyrighted works for teaching, scholarship and research purposes. It also allows reproduction of copyrighted works for use in systematic instructional activities. The UCC protects the economic rights of the authors effectively. As of January 1, 1996. 95 states were members of UCC. India is a member of the UCC. The provisions of the UCC were strengthened by the convention and protocols, at Geneva, 1952 and at Paris in 1971.

REMEDIES FOR INFRINGEMENT OF TRADEMARK

- 1) CIVIL REMEDIES: In an infringement action, the plaintiff may seek any of the following relief:
 - a) An injunction restraining further use of the infringing mark
 - b) Damages on account of profits
 - c) An order for delivering up of infringing labels and marks for destruction or erasure
- 2) ADMINISTRATIVE REMEDIES: Apart from the civil remedies aforementioned, the Act also vests certain powers in the various administrative authorities to grant reliefs and remedies to the aggrieved persons. These powers may be exercised in respect of –
 - a) Classification of goods and services for the purpose of registration
 - b) Publication of alphabetical index of classification of goods and services
 - c) Granting of or refusing to register a trade mark
 - d) Correcting and amending the Register
 - e) Renewal, removal and restoration of registration

- f) Assignability and transmissibility of registered trademarks
- g) Registration of assignments and transmissions and other aspects related to trademarks.

It may be noted that it is registrar, who mostly exercise these powers under the guidance of the Central government.

- 3) **CRIMINAL REMEDIES** : The Trade Marks Act 1999, provides for a comprehensive scheme whereby those persons who unauthorisedly deal with the trade marks can be punished for various offences. These offences include -
- a) Falsifying and falsely applying trade marks.
 - b) Selling goods or providing services to which false trade mark is applied
 - c) Removing piece goods etc contrary to section 81
 - d) Falsely representing a trade mark as registered
 - e) Falsification of entries in the register and
 - f) Abetment in India of acts done outside India etc.

PASSING OFF ACTION

Generally, no person is entitled to institute any proceedings to prevent, or to recover damages for the infringement of an unregistered trademark. However, the Trade Mark act, 1999, while recognising the above principle, provides that nothing in the act shall be deemed to affect the rights of action against any person for passing off goods or services, as the goods of another person, or as services provided by another person, or the remedies in respect thereof. In other words, even in respect of an unregistered trade mark also, the proprietor may initiate passing off action against those who try to pass off their goods, or services as those of the proprietor of the unregistered trade mark. This is a common Law remedy, provided under the Law of Torts.

The basis for passing off action is false representation. The plaintiff in a passing off action has to show that the act of the defendant complained of is calculated to lead to passing off of the defendants goods for those of the plaintiff goods. Passing off is said to be a kind of unfair trade competition or of actionable unfair trading by which one person, through deception, attempts to

obtain an economic benefit of the reputation which another has established for himself in a particular trade or business. The action is regarded as an action for deceit. The passing off action depends upon the principle that nobody has a right to represent his goods as the goods of somebody. In other words a man is not to sell his goods or services under the pretence that they are those of another person.

The three elements of passing off action are:

- 1) The reputation of goods
- 2) Possibility of deception
- 3) Likelihood of damages to the plaintiff

Every intelligent consumer purchases his goods or hires services from the commercial market only when he is satisfied that the goods or services are of good quality and reputation. The manufacturer, or supplier of goods makes it sure that although the goods produced by him are similar to those manufactured by others, their distinguishing marks are different. This is with a view to identifying the manufacturer, brand and quality of the goods or services produced by a particular maker or company. It is in this context that trade marks play a very important role in the modern commercial market. The importance of trade marks was recognised only after the industrial revolution which enabled large scale production and distribution of goods and publicity through the printing media. Therefore trade mark is essentially a product of competitive economy where more than one person competed for the manufacture of the same product which necessitated the marking of each manufacturers goods by a symbol which distinguished similar goods made by others.