



TRADE MARK PROTECTION IN INDIA *

The development of law of trademark can be traced back to the onset of industrial revolution which enabled large scale production and distribution of goods. With the emergence of competitive market economy, manufacturers began to identify their products by certain symbols, marks or devices so as to distinguish their goods from similar goods manufactured or marketed by others. In addition manufacturers also started advertising their goods by using trademarks on them. This led to the trademark acquiring goodwill and reputation among consumers of goods. That's why Trademark is one of the elements of Intellectual Property Right, which is represented by the symbol TM or ® or mark. This trademark is a distinctive sign which is used by an individual, business organization or other legal entity to identify uniquely the source of its products and/or services to consumers, and to distinguish its products or services from those of other entities.¹ These are important to save the interest of both the consumers and the traders as a definite trade source is attached with the goods from which the goods are originating. For example a trademark Avon distinguishes the goods of avon from those to say, the 'lakme'. The word Avon is a separate trademark which distinguishes goods of avon.

Definition of Trademark

A trademark is a visual symbol in the form of a word, a device or a label applied to articles of commerce with a view to indicate to the purchasing public that they are goods manufactured or otherwise dealt in by a particular person or a organization as distinguished from similar goods manufactured or dealt in by others. In simple words, a trademark is a sign or any representation attached to the goods for the purpose of indicating their trade origin.

Definition of trademark under the Trademarks Act, 1999

Section 2(1)(zb) of Trademarks Act, 1999 defines a "Trade Mark" as a mark capable of being represented graphically 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.

So, the important feature of a Trademark is:

1. It should be a mark,

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¹ <http://www.nishnat.com/india-trademark/30/11/10>

2. which is capable of being represented graphically,
3. which is capable of distinguishing the goods of one person from that of other,
4. And it may include shape of goods, packaging and combination of colours.

Further Section 2(1) (m) defines a “Mark” as Mark includes a device, brand, heading, label, ticket, name, signature, word, letter, shape of goods, packaging of combination of colours, numerals, shape of goods, packaging or combination of colours or any other combination thereof

Section 2(1) (o) of the Trade Marks Act, 1999 explains the term Name to include any abbreviation of Name.

Further there are other provisions in the act that defines various terms in the definition of mark like 2 (1) (j) defines the term goods, Section 2(1)(q) defines packaging etc

Further the act defines “Well Known Trade Marks” as a mark in relation to any goods or services which has become so to the substantial segment which uses goods or receives such services that the use of such mark in relation to goods or services would be likely to be taken as indicating a connection in the course of trade or rendering of services and the person and the person using the mark in relation to first mentioned goods or services.

Importance of Trade marks

Functions of Trademarks could be divided into following categories:

1. Identifying Purpose: One of the basic function of trademark law is to identify the origin of product and distinguishing the marked product from those of competitors. It has been said that a trade mark cannot have two origins anymore than a man cannot have two mothers
2. Quality assurance: It serves as a guarantee of the consistency of the nature, quality and characteristics of goods. E.g. Coke in any part of the world. It assures that a deterioration in the quality will be traceable to the author.
3. As a tool of advertisement: A trademark is a silent salesman. It helps in the global expansion of trade.
4. Symbol of goodwill of the company
5. Protecting Public against confusion and deception: it serves as a source of information about the products. The emphasis on the right to information and concepts like transparency in relation to products are satisfied to a large extent by trademarks. A mark imparts important information about the products to customers and protects against confusion. Their purchase decisions are made with the help of trademark.

6. Economic Functions: The economic function of trademarks needs no explanation. Owners advertise their trademarks and earn from them.

The legal importance of trademarks lies in the fact that the trademark cannot be infringed and the owner acquires a monopoly over the trademark

The system of registering trademarks is administered by a public authority on a territorial basis. Every country has its own procedure for registration of trademarks. In India, a trademark is registered by the registrar of trademark if the application for registration satisfies the legal requirements entailed in the Trade Mark Act 1999.

Legal Regime for the Protection of Trade Marks in India

By virtue of India being a Country where common law practices are followed trademarks are provided protection by way of:

1. Statutory Provisions under The Trade Marks Act, 1999
2. Under Common Law:
 - a) Action of Passing off
 - b) Action for dilution of famous and well known trademarks

The Indian law of trademarks is enshrined the new Trade Marks Act, 1999 came into force with effect from September 15, 2003. The old Trade and Merchandise Marks Act, 1958 was repealed at the same time. The new Trademarks Act of 1999 is in line with the WTO recommendations and is in conformity with the TRIPS Agreement to which India is a signatory²

The Trademark Act 1999 has made substantial changes in the law. As regard unregistered law some aspects of law are codified , while others are still based on common law for which one has to refer to decisions of the court.

.There are Four types of trademarks under the Trademark Act 1999,

- a)Service Mark
- b) Collective mark

² <http://www.articlesbase.com/intellectual-property-articles/trade-mark-law-in-india-its-violation-an-analytical-study-543492.html> 30/11/10

c) Certification Mark and

d) Trade Dress

All These marks are equally important and promote activity as well as maintain the distinctiveness of the product.³

The present act apart from simplifying the law has introduced many new provisions has introduced many new provisions which are in the interest of trademark owners as well as consumer of the goods. like provisions under section 27. The trade mark act 1999 recognizes the common law concept of passing off and dilution but does not allow an action of infringement based on the common law

Infringement of Registered Trademarks

A Registered trademark is infringed by a person who not being a registered proprietor or a person by way of permitted use, uses in the course of trade, a mark which is identical with or deceptively similar to the trademark in relation to goods or services in respect of which the trademark is registered and in such manner as to render the mark likely to be taken as being used as trademark. A registered trade mark is infringed by a person if he uses such registered trade mark, as his trade name or part of his trade name, or name of his business concern or part of the name, of his business concern dealing in goods or services in respect of which the trade mark is registered. A registered trade mark is infringed by a person who applies such registered trade mark to a material intended to be used for labelling or packaging goods, as a business paper, or for advertising goods or services, provided such person, when he applied for the mark, knew or had reason to believe that the application of the mark was not duly authorized by the proprietor or a licensee. Where the distinctive elements of a registered trade mark consist of or include words, the trade mark may be infringed by the spoken use of those words as well as by their visual representation and reference in this section to the use of a mark shall be construed accordingly.⁴

The Trademarks Act also provides that a suit for infringement can be filed in a court of appropriate pecuniary jurisdiction within whose territorial jurisdiction the aggrieved trademark owner actually or voluntarily resides or carries on business or personally works for gain.

Action of Passing Off

Passing off is a common law tort which can be used to enforce unregistered trademark rights. The tort of passing off protects the goodwill of a trader from a misrepresentation that causes damage to goodwill⁵. Trademark Act 1999 does recognize the existence of an alternative in the form of a passing off action which can be resorted to by the

³ http://www.altacit.com/pdf/evolutionoftrademarklawsin_india.pdf 30/11/10

⁴ The Trademark Act, 1999 Section 29

⁵ http://en.wikipedia.org/wiki/Passing_off 30/11/10

aggrieved trademark owner whose trademark has been infringed. Though the Trademark Act, 1999 nowhere defines the term passing off but refers to the term in various sections like Section 27(2), 134(c) and section 135. The recognition granted is because it encourages fair trade in every way and aims to foster and not to hamper competition.

Passing off is judge made law. The modern law is to be found in a handful of cases of which the most important is the decisions of the House of Lords in *Reckitt & Colman Products Ltd. v Borden Inc* [1990] RPC 341 In This case court held that a claim may be brought where

- a) the claimant's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- a) the claimant's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- b) there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the defendant are goods or services of the claimant; and
- c) the claimant has suffered, or is likely to suffer, damage as a result of the erroneous belief engendered by the defendant's misrepresentation.

This restatement of the elements of passing off is often referred to as the "classic trinity".⁶

In *Erven Warnik v Towend & Sons (Hull) Ltd*' court stated the essential characteristics of passing off action in the following words:

- a) Misrepresentation
- b) Made by the person in the course of trade
- c) To prospective customers of his or ultimate consumer of goods or services supplied by him
- d) Which are calculated to injure the business and goodwill of another trader (in the sense that this is a reasonable foreseeable consequence) and
- e) Which causes actual damage to a business or goodwill of the traders by whom the action is brought or who probably do so.

In *Cadila Healthcasre Limited v. Cadila Pharmaceuticals Limited* The Supreme Court laid Down Certain tests for ascertaining passing off. Broadly stated in an action for passing off on the basis of unregistered trade mark generally for deciding the question of deceptive similarity the following factors to be considered:

- a) The nature of the marks i.e. whether the marks are word marks or label marks or composite marks, i.e. both words and label works.
- b) The degree of resemblance between the marks, phonetically similar and hence

⁶ <http://www.ipit-update.com/passingoff.htm30/11/10>

similar in idea.

- c) The nature of the goods in respect of which they are used as trade marks.
- d) The similarity in the nature, character and performance of the goods of the rival traders.
- e) The class of purchasers who are likely to buy the goods bearing the marks they require, on their education and intelligence and a degree of care they are likely to exercise in purchasing and/or using the goods.
- f) The mode of purchasing the goods or placing orders for the goods and
- g) Any other surrounding circumstances which may be relevant in the extent of dissimilarity between the competing marks⁷.

In the case of *Wander Ltd V Antox Pvt Ltd* the Supreme Court While Distinguishing Infringement from passing off said :

An infringement action is available where there is violation of specific property-right acquired under and recognized by the statute. In a passing-of action, however, the plaintiff's right is independent of such a statutory right to a trade mark and is against the conduct of the defendant which lends to or is intended or calculated to lead to deception. Passing-off is said to be a species 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 tort of passing-off involves a misrepresentation made by a trade to his prospective customers calculated to injure, as a reasonably foreseeable consequence, the business or goodwill of another which actually or probably, causes damage to the business or goodwill of the other trader.⁸

The Supreme Court in the matter of *Laxmikant Patel v Chatenbhai* has summed up the concept of passing off as follows :

“The legal and economic basis of this tort is to provide protection for the right of property which exists not in a particular name, mark or style but in an established business, commercial or professional reputation or goodwill. So to sell merchandise or carry on business under such a name, mark, description, or otherwise in such a manner as to mislead the public into believing that the merchandise or business is that of another person is a wrong actionable at the suit of that other person. This form of injury is commonly, though awkwardly, termed that of *passing-off* one's goods or business as the goods or business of another and is the most important example of the wrong of injurious falsehood. The gist of the conception of passing-off is that the goods are in effect telling a falsehood about themselves, are saying something about themselves which is calculated to mislead. The law on this matter is designed to protect traders against that form of unfair competition which consists in acquiring for oneself, by means of false or misleading devices, the benefit of the reputation already achieved by rival traders.”

⁷ <http://indiankanoon.org/doc/1114158/30/11/10>

⁸ <http://www.indiankanoon.org/doc/330608/30/11/10>

Action for Dilution

'Dilution', broadly speaking, refers to harm caused to the communicative function of a trade mark: the lessening of the capacity of a famous mark to identify and distinguish goods or services. In its statutory form it has slipped into Indian law below radar. There has been little discussion about this concept and therefore many misconceptions have accumulated around it. The provision is found within S 29(4), mirroring a similar provision in S 11(2) of the Act.⁹

Dilution is the blurring or tarnishing of the image or persona of a well known trademark by use of a similar mark typically on unrelated goods, or in a manner that tends to reduce its distinctiveness. The dilution doctrine grew out of common law principles dating back to 1898. It has now become part of the federal trademark law and provides protection to trademarks even where claims of trademark infringement are not viable.¹⁰

The basic concept of trademark infringement and related claims is the complainant must have a distinctive or protect able symbol and the defendant's purportedly infringing use must have created a likelihood of consumer confusion. The application of the dilution law in connection with distinctive and famous marks can provide a cause of action even without there being a likelihood of confusion.

A classic case example of the dilution doctrine was the use of the mark KODAK in connection with the sale of bicycles during last century, which founded the common law basis for an early dilution claim. No significant segment of the consuming public was likely to think that bicycles were made by, endorsed or sponsored by a film manufacturer. In short, there was no likelihood of confusion. Nonetheless, the court, finding for the film manufacturer, held that the mark KODAK should be protected against dilution. Since then, a number of states adopted dilution statutes, including California. Prior to the enactment of the federal dilution statute, about half the states had some form of dilution statutes.

In a more modern context, the federal dilution statute is likely to be helpful in stopping the use of domain names on the Internet which trade on famous marks. The proprietor of the mark CANDYLAND for use in connection with a board game was able to preliminarily enjoin the use of the same mark in connection with an "adult" Internet domain name, candyland.com.¹¹

This is an extremely important, yet underappreciated area. It's controversial because it's very different from the traditional Likelihood of Confusion (LoC) test which has been the foundation of trade mark law for over a century and a half. Dilution seems to have sleepwalked into our trade mark legislation - it is not mentioned as one of the New Elements under the Act of 1999 Act and was not specifically mentioned during the

⁹ <http://spicyipindia.blogspot.com/2008/10/guest-post-polymorphism-of-trade-mark.html> 30/11/10

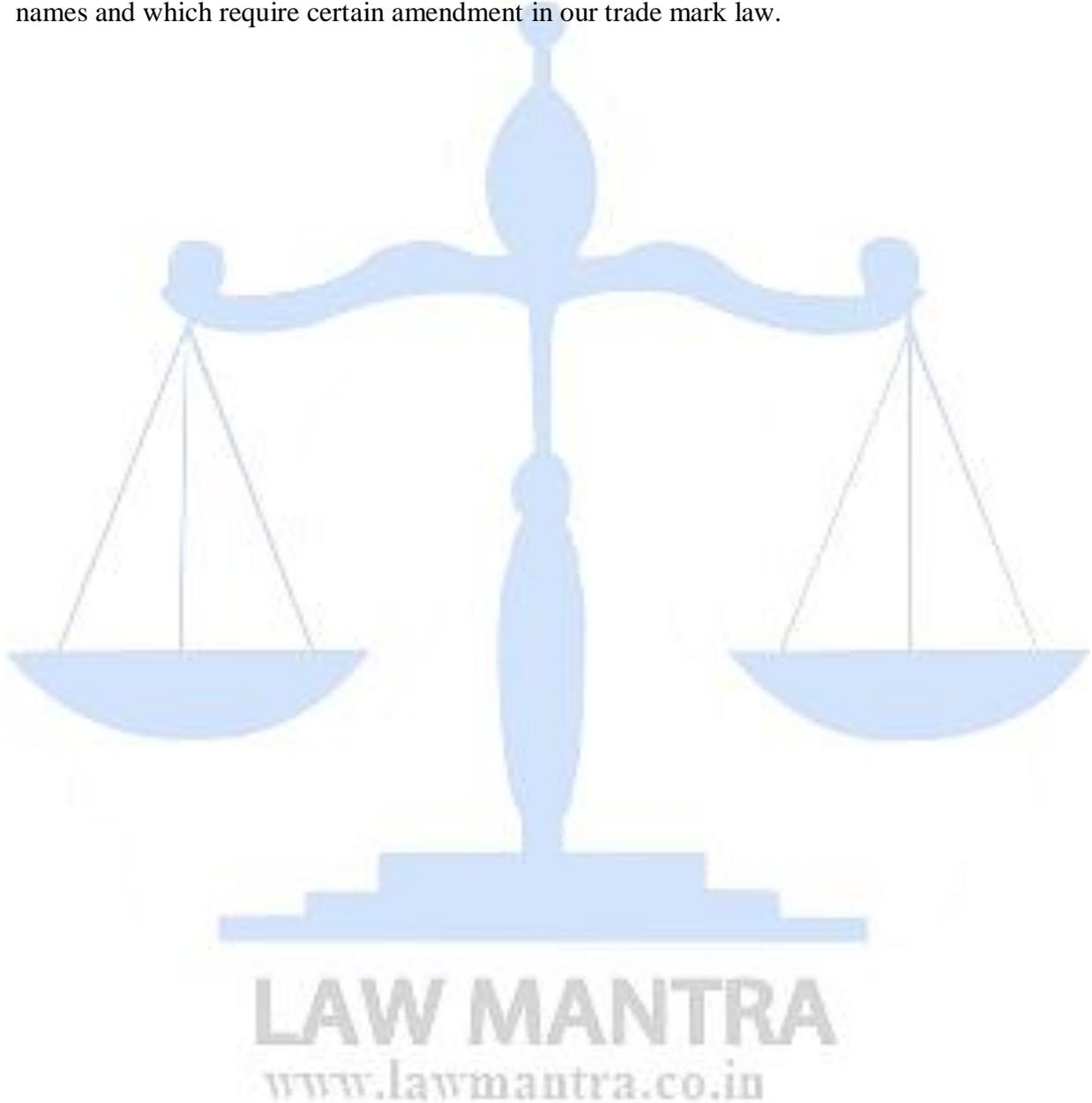
¹⁰ <http://www.supnik.com/dilute.htm> 30/11/10

¹¹ <http://www.supnik.com/dilute.htm> 30/11/10

parliamentary debates considering the TM Bill.¹²

Conclusion

As it can be seen from above discussion that our trademark laws are developed to provide protection to all kind of trademarks whether registered or unregistered but there are certain areas which are ignored like the issues relating to trademark and domain names and which require certain amendment in our trade mark law.



¹² <http://spicyindia.blogspot.com/2008/10/guest-post-polymorphism-of-trade-mark.html>30/11/10