

RECENT DEVELOPMENTS IN TRADEMARK LAWS IN INDIA

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“Parantha Wali Gali”, all must have known about this place in Chandni Chowk, New Delhi. However, once you enter the streets of Chandni Chowk, you will find a number of shops with the same or similar name selling paranthas. Now the problem is how to know who is original – by going to every shop and tasting the food and then finding out which shop sells the authentic paranthas? But is it viable for the pocket and to the stomach? Absolutely NO. Now if the original paranthas wala dhabha had opted for a trademark then we could easily have gone to the original place and have flavoursome dishes. Once they would have opted for a trademark the other shops won't take the advantage of the goodwill of the original shop. Trademark creates the brand identity of the product and prohibits the use of the identity by any other person or company. Ola or Uber, Fair & lovely or Fair & handsome, Reebok or Nike there are a number of trademarks that are seen in everyday life. It could be a word, design, logo, symbol, or combination of one or more which could be a trademark. In this era of consumerism, goods or services are being sold and to sell them the owner needs to go for branding of the product is important, to stand out from others we need trademarks.

Keywords: Goods, Services, Branding, Consumer, Identity, Mark, Deceptiveness, Differentiate, Registration, Ownership

INTRODUCTION

The term Trademark refers to recognizable insignia, phrase, word, or symbol that denotes a specific product or service which legally differentiates it from all other products and services of its kind. The trademark basically identifies the product belonging to a particular company and recognizes the ownership of the same.¹ They are considered as intellectual property rights which allow people to assert ownership rights on the outcomes of creation and innovation. The trademarks may or may not be registered but definitely have benefits if they are registered. Once the owner has the trademark for its product no one else can use the same logo, word,

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¹ Carla Tardi, 'Trademark' (Investopedia, 23 march 2022), <www.investopedia.com/terms/t/trademark.asp> accessed 17 October 2022

phrase, design, or similar in nature. This is to avoid confusion between the products and let the consumer be aware of the particular product which they need for their use.

For instance, any footwear manufacturing company cannot use the symbol of BATA to promote and sale their own product and even the name of a similar sound related to it can also be not used. In the United States, Trademarks are registered through the United States Patent and Trademark Office (USPTO) and are identified with symbol ®, whereas unregistered trademarks can be recognized by ™ as trademarks don't have to be registered in order to give the owner the property rights.² There is no time limit or a prescribed time period for using a particular trademark but it is usually advisable for the owner to continuously and lawfully use the trademark to take the advantage of the trademark laws. Section 8 declaration is filed by the owner of the trademark that either the trademark is in use in commerce with the goods or services listed in the registration or the trademark is not in use in commerce due to circumstances that excuse no use.³

BACKGROUND

Just imagine person A owns a brand of clothing and has goodwill in a particular region and person B of a similar name starts selling shirts of the same material as of person A. People in confusion go to person B thinking he is the original owner of the brand. Now, this creates a ruckus in the business of person A, he starts losing his customers which subsequently results in the downfall of the goodwill of person A.

This is the story before Trademark Act came in 1940 as there were no laws related to trademarks in India. So, the problems related to the infringement of registered and unregistered trademarks were resolved under Section 54 of the Specific Relief Act, of 1877, and registration was adjudicated under the Indian Registration Act, 1908. In order to overcome all these problems Indian Trademark Law was enforced in 1940 which was replaced with the Trademark and Merchandise Act, 1958. This Act provided protection of trademarks and prevents misuse of marks. This previous act got replaced with the Trademark Act 1999 which came into force with effect from the 30th day of December 1999 by the Government of India by complying with TRIPS (Trade related aspects of intellectual property rights) recommended by the World Trade

² ibid

³ 'Definitions for maintaining a trademark registration '(uspto ,17 may 2022)

<www.uspto.gov/trademarks/maintain/forms-file/definitions-maintaining-trademark> accessed on 17 October 2022

Organization. The main purpose of the Trademark Act is to grant protection to the users of trademarks and provide legal remedies for the implementation of trademark rights.⁴ In case of any infringement, the Act provides punishments and penalties for the offenders and the police can arrest the concerned person. Trademark acts as a weapon for registered owners to stop others from illegal and fraudulent use of the trademark. Section 135 of the Trademarks Act, 1999, includes both infringement of trademarks and passing off actions. If the trademark is used in an unauthorized way or by illegal means by producing it in trading it is called trademark piracy.⁵

There is a difference between passing off and infringement. The claim for infringement is a lawful remedy whereas the claim for passing off is a common law remedy. In order to establish infringement, it is important to prove that the mark is the same or deceptively similar to the certified mark but in case of passing off, only proving that marks are deceptively similar or same is not enough, the use of the mark should cause confusion or misled the consumers.⁶ In case of infringement the mark must not cause injury or damage but in case of passing off the use of the trademark by the defendant is expected to cause injury or damage to the plaintiff's goodwill. Criminal action regarding infringement or passing off, the offence attracts imprisonment for a term not less than six months which may extend to three years, and a fine not less than INR 50,000 which may extend to INR 2,00,000.⁷

TYPES OF TRADEMARKS:⁸

SERVICE MARK: They do not include material goods instead only the allocation of services. It includes any symbol name, sign device, or word which is used in trade to recognize and differentiate. A product is indicated by a service mark, and the product's service mark is known as a trademark. Service marks are used in various services like hospitality, entertainment services, sponsorship, and so on.

⁴ Siddhartha Mohanty, 'Trademark Law in India', Legal Service India E-Journal <<https://legalserviceindia.com/legal/article-8611-trademark-law-in-india.html>> accessed on 17 October 2022

⁵ ibid

⁶ ibid

⁷ ibid

⁸ ibid

COLLECTIVE MARK: It is used by a collective group or by members of an association or other group or organization to identify goods and services. This mark is used by an organization or group with similar characteristics. For example, CS is a collective trademark used by the Institute of Company Secretaries of India. It is by the single members of the organization but registered as a whole group.

CERTIFICATION MARK: It is defined under Trademark Act, 1999. It is a verification or confirmation matter by providing assurance that some act has been done or any kind of judicial formality has been complied with. Certification marks are registered under the Trademark Act, 1999, and the requirement for registration is that the product must be competent to certify.

TRADE DRESS: It is a protection to consumers from packaging or the appearance of products that are an imitation of other products. A consumer has a belief that trade dress is the main indication for differentiation of one brand from others. The registration of trade dress is to be done in the same manner as of registration of logo, and mark.

EXPANSION OF SCOPE OF TRADEMARK

DOMAIN NAME: Every business on the web has a domain name that is a unique address in the cyber space at which the website is located. The Internet has become an indispensable tool in the business world. The system came to be developed as IP numbers which are very difficult to remember so, then came up the domain name system (DNS). A domain name shall be relevant to the product or service offered and shall be unique and distinct.⁹ WIPO (The World Intellectual Property Organization), the domain name cases are been resolved by the Arbitration and Mediation Centre since 1999, where the process is conducted by a non-profit organization ICANN (Internet Corporation for Assigned Names and Numbers), responsible for IP address allocation, protocol agreement, and DNS management.¹⁰

⁹ Sruthi Srinivasan, 'Evolution of Trademark Laws in India' (Ip Frontline, September 2009)
<www.altacit.com/trademark/evolution-of-trademark-laws-in-india> accessed on 17 October 2022

¹⁰ ibid

SMELL: Registering for smell trademarks includes a high level of difficulty as there is no graphical representation. Whereas in some countries they are registered where they have a graphical representation.¹¹

SHAPE: In order to remove any kind of confusion in the eyes of consumers there shall be distinctiveness among the products as the market is consumer-oriented. As long as the use or performance product is not affected the shape of a product can be registered.

SOUND: It is not capable of being perceived visually, then it shall be represented graphically by means of clear and objective images, lines, or characters, rather than a mere written description of the sound, this requires that sound shall be represented by notes. For example, the sound marks as of Nokia, and 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 2003.¹²

TEST OF SIMILARITY

In this business world where everyone is trying to sell their brand and differentiating them from other trademarks, it is evident that one mark may be deceptively similar to another. In this case, the essential features of the two are to be considered. It would be more than enough if the disputed mark has such an overall similarity to the registered mark in order to deceive the person usually dealing with one to accept the other if offered to him. In *Mohd. Iqbal v. Mohd. Wasim*¹³ held that bidis are mostly being used by the people belonging to the poor and illiterate or semi-literate classes. It is not possible for them to distinguish between the two labels. Therefore, there appears to be a deceptive similarity between the two labels.¹⁴

CASE ANALYSIS:

1). STARBUCKS CORPORATION V. SARDARBUKSH COFFEE AND COMPANY:¹⁵

Starbucks has various branches in multiple countries and is famous for its coffee. Sardar Buksh is also a coffee joint that started in Delhi in 2015. Starbucks has its logo and name registered

¹¹ *ibid*

¹² *ibid*

¹³ *Mohd. Iqbal v/s Mohd. Wasim* (2001)721 of 2001

¹⁴ Siddhartha Mohanty (n 4)

¹⁵ *Starbucks Corporation v. Sardar Buksh Coffee and Company &ORS* (2018) 1007/2018

which is recognized globally. The logos of both companies look very similar and moreover, the name of both companies' sounds similar, and even the product sold by both are identical. In 2017 Starbucks Corporation send a letter of demand to the defendant so that the company can make necessary changes in the similarity of the logo and name. Accordingly, they changed the logo and colour scheme and started trading under the new logo. Later on, Starbucks filed a case against Sardar Buksh before Delhi High Court on 1 August 2018 for using a similar sound of the word mark "Sardar Buksh". The court advised the defendants to go for new branding and on September 27, 2018, it was agreed that the name of all outlets shall be changed to Sardar Ji- Bakhsh Coffee and Co.

2). NIRMA LIMITED V. PURNIMA GUPTA & ANR:¹⁶

In this case, Delhi High Court rules in favor of Nirma and the jewelry brand loses. The detergent company adopted the two trademarks in 1969 and 1982. The court ruled out that the trademark belonging to metal alloy jewelry brand Nima shall be removed from the register of trademarks as it is deceptively similar to Nirma the well-known detergent company. Nirma Company claimed that they already own the trademarks and have adopted Nirma and Nima in 1969 and 1982 respectively. Therefore, the bench held that the petitioner was a prior uninterrupted user and registration holder of both names and has garnered goodwill in the market.

CONCLUSION

*"An image is simply not a trademark, a design, a slogan, or an easily remembered picture. It is a studiously crafted personality profile of an individual, institution corporation, product, or service."*¹⁷

- American historian and educator Daniel J. Boorstein

World Intellectual Property Day is celebrated on 26 April every year, as trademarks are an important aspect of intellectual property so, the protection of the same is of immense importance. The intellectual property reflects the creativity and uniqueness of the mind or the

¹⁶ Nirma limited v. Purnima Gupta and ANR (2022) 292/2022

¹⁷ Sruthi Srinivasan (n 9)

intellect. Capital protection is very important and steps should be taken to protect creativity and discovery and prevent the exploitation of inventions.

