

INTRODUCTION

A trademark is a distinctive sign, which identifies certain goods or services as those produced or provided by a specific person or enterprise. Trademarks may be one or combination of words, letters, and numerals. They may also consist of drawings, symbols, three dimensional signs such as shape and packaging of goods, or colours used as distinguishing feature. Collective marks are owned by an association whose members use them to identify themselves with a level of quality. Certification marks are given for compliance with defined standards (Example ISO 9000). A trademark provides to the owner of the mark by ensuring the exclusive right to use it to identify goods or services, or to authorize others to use it in return for some consideration (payment).

A well-known trademark in relation to any goods or services, means a mark that has become so to the substantial segment of the public which 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 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.

A well-crafted trademark often becomes a decisive factor in the success of an enterprise in the market place. A trademark enables users or consumers to distinguish products or services of an SME from those of its competitors and to associate the products or services of an enterprise with desired qualities. In other words, a trade or service mark is a distinctive sign which identifies certain products or services as those produced or provided by a specific person, enterprise or a group of persons/enterprises allowing the consumer to distinguish them from goods or services of others. A trademark may be a word, letter, symbol (logo), number, colour, shape or, where the legislation of the country so allows, sound or smell, or a combination of two or more of these elements.

No wonder, to develop trust, confidence and loyalty in its products or services, every forward-looking SME has to develop and maintain a distinct identity, image or reputation. Only then it would be able to distinguish itself and its products or services from those of its competitors. It must also, at the same time, provide a mechanism for linking the provider of a product or service to the valuable business assets of trust and goodwill. This is mostly achieved through a distinctive trade name and one or more trademarks. These play a pivotal role in the marketing strategy of differentiating products or services from those of rivals and in developing longer-term positive relationships with customers by communicating an assiduously nurtured image or reputation.

Every business must woo customers to move them quickly from brand awareness, via brand recognition, to brand preference and finally to brand insistence, a point at which the consumer refuses to accept alternatives and is willing to pay an even higher premium for the desired branded product or service. A major step in eliminating wasteful expense and reducing risk is to register the trademark early so that it is legally secure and others cannot free-ride on it. This is often done well before test marketing the new product or service to

avoid incurring expense on advertising and other promotional activities, only to discover the brand name is not available.

Some countries do provide a degree of protection to unregistered trademarks, but in most countries, protection is contingent upon successful registration. Many countries allow registration without prior use, but the trademark registration may be cancelled if it is not used in the marketplace in relation to the relevant product or service for a certain period of time. It is easier to deal with wilful free-riding, known as counterfeiting of a trademark and with grey market products (so-called parallel imports) if the trademark is validly registered. Informed businesses take active steps to educate employees, dealers, distributors, newspaper editors, publishers of encyclopedias and the public that their trademark identifies their specific products alone and therefore should be used in a proper manner.

Fundamentals of Trademarks

The essential function of a trademark is to exclusively identify the commercial source or origin of products or services, such that a trademark, properly called, indicates source or serves as a badge of origin. The use of a trademark in this way is known as trademark use. Certain exclusive rights attach to a registered mark, which can be enforced by way of an action for trademark infringement, while unregistered trademark rights may be enforced pursuant to the common law tort of passing off.

It should be noted that trademark rights generally arise out of the use and/or registration of a mark in connection only with a specific type or range of products or services. Although it may sometimes be possible to take legal action to prevent the use of a mark in relation to products or services outside this range (e.g., for passing off), this does not mean that trademark law prevents the use of that mark by the general public. A common word, phrase, or other sign can only be removed from the public domain to the extent that a trademark owner is able to maintain exclusive rights over that sign in relation to certain products or services, assuming there are no other trademark objections.

Definition of Trademark

A trademark, or "mark," is any word, phrase, symbol, design, sound, smell, colour, product configuration, group of letters or numbers, or combination of these, adopted and used by a company to identify its products or services, and distinguish them from products and services made, sold, or provided by others.

"A trademark is a visual symbol in the form of word, a device or a label applied to articles of commerce as distinguished from similar goods manufactured or dealt in by others.

In other words, a trademark is a visual representation attached to goods for the purpose of indicating their trade origin. For e.g.

- { KODAK – for photographic goods
- APPLE – for computers
- WILLS – for cigarettes

Concept of Trademarks

A trademark or trademark is a distinctive sign or indicator of some kind that is used by an individual, business organization or other legal entity to uniquely identify the source of its products and/or services to consumers, and to distinguish its products or services from those of other entities. A trademark is a type of intellectual property, and typically comprises a name, word, phrase, logo, symbol, design, image, or a combination of these elements. There is also a range of non-conventional trademarks comprising marks which do not fall into these standard categories.

The owner of a registered trademark may commence legal proceedings for trademark infringement to prevent unauthorized use of that trademark. However, registration is not required. The owner of a common law trademark may also file a suit, but an unregistered mark may be protectable only within the geographical area within which it has been used or in geographical areas into which it may be reasonably expected to expand.

The term trademark is also used informally to refer to any distinguishing attribute by which an individual is readily identified, such as the well known characteristics of celebrities. When a trademark is used in relation to services rather than products, it may sometimes be called a service mark, particularly in the United States.

Purpose of Trademark

The primary purpose of marks is to prevent consumers from becoming confused about the source or origin of a product or service. Marks help consumers answer the questions: "Who makes this product?" and, "Who provides this service?"

As consumers become familiar with particular marks, and the goods or services they represent, marks can acquire a "secondary meaning" as indicators of quality. Thus, established marks help consumers answer another question: "Is this product or service a good one to purchase?" For this reason, the well-known marks of reputable companies are valuable business assets, worthy of nurturing and protection.

The law governing marks essentially is consistent, regardless of the kind of product or service identified, or the nature or appearance of the mark employed. However, marks often are categorized according to the type of identification involved. The most commonly encountered categories are trademarks, service marks, and trade dress. Trade names are not marks, although a trademark owner should know something about them.

Functions of a Trademark

A trademark serves the purpose of identifying the source or the origin of goods. Trademark performs the following four functions.

- It identifies the product and its origin. For example, the trade mark 'Brook Bond' identifies tea originating from the company manufacturing tea and marketing under that mark.

- It guarantees its quality.
- It advertises the product. The trademark SONY rings a bell of a particular quality of a particular class of goods. It thus advertises the product while distinguishing it from products of Sony's competitors.
- It creates an image of the product in the minds of the public, particularly consumers, or the prospective consumers of such goods.

Characteristics of a Trademark

A trademark should have following characteristics

- Distinctiveness of the mark means that the mark or get up is distinct in itself from everything else and no one can justifiably claim the right to use it. (e.g. a mark in the shape of an invented word like 'Rin'). Most of the trademarks acquire distinctiveness through use. (e.g. Yashika, Hawkins, Surf, etc.)
- The trademark should preferably be an invented word.
- The trademark, if a word or name, should be easy to pronounce and remember. (e.g. 'Bata' for shoes; 'Zen' for car; 'SONY' for electronics; etc.)
- It must be easy to spell correctly and write legibly.
- It should not be descriptive but may be suggestive of the quality of goods.
- It should be short.
- It should appeal the eye as well as the ear.
- It should satisfy the requirements of registration.
- It should not belong to the class of marks prohibited for registration.

Terminology and Symbols

Terms such as "mark", "brand" and "logo" are sometimes used interchangeably with "trademark". However, the terms "brands" and "branding" raise distinct conceptual issues and are generally more appropriate for use in a marketing or advertising context.

Specialized types of trademark include certification marks, collective trademarks and defensive trademarks. A trademark which is popularly used to describe a product or service (rather than to distinguish the product or services from those of third parties) is sometimes known as a genericized trademark. If such a mark becomes synonymous with that product or service to the extent that the trademark owner can no longer enforce its proprietary rights, the mark has become generic.

As any sign which is capable of performing the essential trademark function may qualify as a trademark, the trademark concept extends to include a range of non-conventional signs such as shapes (three-dimensional trademarks), sounds, smells, moving images (e.g., signs denoting movement, motion or animation), taste, and perhaps even texture. Although

the extent to which non-conventional trademarks can be protected or even recognised varies considerably from jurisdiction to jurisdiction, shape marks and sound marks are examples of non-conventional marks that are in the process of migrating out of this category.

The TM symbol may be used when trademark rights are claimed in relation to a mark, but the mark has not been registered with the government trademarks office of a particular country or jurisdiction, while the [®] is used to indicate that the mark has been so registered. It is not mandatory to use either symbol, although the force of convention is such that the symbols are widely used around the world. However, in various jurisdictions it is unlawful to use the [®] symbol in association with a mark when that mark is not registered. Either symbol is typically placed in the top left- or right-hand corner of a mark.

Users of computers running the Microsoft Windows operating system can enter the TM and [®] characters into text by holding down the *Alt* key and typing 0153 and 0174 respectively into the numeric keypad.

INFRINGEMENT OF TRADEMARK

The essentials of infringement of trademark are

- The taking of any essential feature of the mark or taking the whole of the mark and then making a few additions and alterations would constitute infringement.
- The infringing mark must be used in the course of trade, i.e. in a regular trade wherein the proprietor of the mark is engaged.
- The use of the infringing mark must be printed or usual representation of the mark in advertisements, invoices or bills. Any oral use of the trademark is not an infringement.
- Any or all of the above acts would constitute infringement.

Cases of Infringement

- The plaintiff was selling cosmetic products under the registered trademark "Lakme". The defendant was using the trademark "Like-me" for the same class of products. It was held that there was a striking resemblance between the two words. The two words are also phonetically similar. There is every possibility of deception and confusion being caused in the minds of prospective buyers. The injunction was made permanent.
- The plaintiffs were a reputed manufacturer of dental cream COLGATE, defendants used the mark COLLEGiate, which is phonetically similar with deceptively similar letters in white and red background so as to create confusion in the minds of the customers and to pass off its product as COLGATE. Hence the mark was restrained through injunction.

GUIDELINES FOR REGISTRATION OF TRADEMARK

1. Trademark application can be filed for a mark which is in " USE " or " PROPOSED TO BE USED ". It is considered as an inseparable part of the goodwill of the business and is being considered as " Movable Property " .
2. The Proprietor or Director or Managing Partner should authorize your attorney or agent under Form TM-48 to appear before the Registrar on behalf of the firm/company . It would be on non-judicial stamp paper. If you authorize in Form -TM-48, the attorney or agent is entitled to sign in all papers to be filed for registration except affidavit.

3. You have to furnish the **FIRST DATE** from which the mark is being continuously used. This you can verify from your first sales invoice.
4. Furnish the name of proprietor or name of all partners in the firm and address of the firm or company. If it is a private/public limited company, please furnish the Memorandum and Articles of association.
5. You have to furnish 20 labels of your mark, if such mark contains any lettering style or logo or device or label, it should be in small size. Otherwise, please furnish the "word" itself. Labels should be mounted upon the Form-TM-1 in triplicate and on ten additional representations.
6. Furnish the specification of goods to which the mark is applicable.
7. After filing, computerized application number will be allotted to your mark within **FORTY DAYS** from the date of filing application. Then you have to pass the following three stages during the period of four to five years or to some extent.
 - (1) Examination stage.
 - (2) Enquiry stage by Registrar.
 - (3) Advertisement stage – **TRADEMARKS JOURNAL**
 - (4) Opposition stage if any
8. While your case is pending, you can use your trademark as you like. 'User' is very important in trademarks. You will gain goodwill because of the continuous use of your mark. For better protection, you have to get registration of your trademark.

REQUIREMENTS FOR FILING TRADEMARK APPLICATION

- (1) Name of the trading style or firm name company name.
- (2) Name of the proprietor or the name of the partners .
- (3) Address of the business place.
- (4) 20 labels of your trademark logo in visiting card size or lettering style or device.
- (5) Specification of goods to which the mark is applicable.
- (6) Date of the first use of your trademark, if the mark is already in use. Otherwise application may be filed as 'proposed to be used'.
 - (i) This you can verify from your first invoice.
 - (ii) If the product is medicinal preparation, then you can verify from the Drug Endorsement made for the particular product in your drug license.

PROTECTION OF TRADEMARKS

Trademark rights are protected through registration, maintenance, watching, and enforcement. These precautions, and proper use, help preserve the ability of marks to indicate the source of a product or service to consumers.

Registration

Marks may be registered with the United States Patent & Trademark Office ("PTO"), and similar agencies throughout the world. In the U.S., marks can also be registered within each state and territory, although such registrations are of limited value to businesses engaged in interstate commerce. A state registration normally cannot defeat a federal registration, because federal trademark rights *supersede* state rights.

Unregistered marks are protected at "common law" in the U.S. – marks need not be registered to be recognized and enforced. Nonetheless, marks registered with the PTO have advantages over unregistered marks. These advantages, which inure to the registered trademark owner, include:

- The ability to bring actions for trademark infringement in federal courts, as well as state courts;
- Eligibility for up to treble damages in a successful trademark infringement action;
- A presumption that the registered mark is valid;
- A presumption that the owner of the registration owns the registered mark;
- A presumption that the registrant has exclusive rights to use the mark in commerce;
- A presumption that the registered mark is not confusingly similar to other registered marks;
- The ability to file applications for registration in other countries, based upon the U.S. registration;
- The ability to prevent the importation of goods bearing infringing marks, by recording the registration with United States Customs.

International registrations provide similar advantages to trademark owners abroad.

U.S. registrations are issued for an initial term of 10 years. During the fifth year of registration, an affidavit must be filed with the PTO, attesting that the mark is still used in interstate commerce. Failure to file the affidavit can result in cancellation of the registration.

- (7) Authorization Form on Form TM-48 in stamp paper and then to be signed by the authorized signatory incase if the applicant wants to engage the services of a Trademark Attorney.
- (8) If it is a private ltd company or a public limited company, please furnish the Memorandum and Articles of Association.

When a registered mark has been used continuously in interstate commerce for five years, it can be made *incontestable*, by filing an appropriate affidavit with the PTO. This step is optional, but a registration is strengthened greatly when the affidavit is filed.

International registrations are subject to similar, periodic, "proof of use" requirements. Some countries also require the payment of "taxes," or fees, to maintain registration rights.

If a registered mark is used and maintained properly, trademark registration can last "forever." U.S. registrations may be renewed indefinitely for successive ten year terms. In other countries, terms of registration vary; however, most allow indefinite, successive renewals, where the underlying mark is used properly, and the registration is maintained.

Maintenance

Just as registrations must be maintained, through affidavits, fees, and renewal applications, marks must be maintained, through proper use and due diligence. The key to trademark maintenance lies in the *source identification* function of marks – remember, marks identify the source or origin of products and services. If, and when, a mark no longer performs this function, it no longer is a mark; it becomes a generic term. *Generic* terms designate a type of product or service, without calling to mind any specific manufacturer or provider.

A generic term cannot be a mark. Generic terms are in the public domain, and may be used freely by anyone. The terms, "escalator," "shredded wheat," "kerosene," "aspirin," "yo-yo," "zipper," and "trampoline," all began as marks. Through lack of proper use, and/or enforcement, these marks became generic. Today, any company may use them to describe certain types of products..

Marks generally lose their source-identifying function through *abandonment*. As the term suggests, an abandoned mark is one which has been "thrown away." Intentional abandonment occurs when an owner fails to use a mark for a specified period, and does not intend to resume use. Marks also may be abandoned unintentionally, through improper use.

A mark may be abandoned "unintentionally," when the trademark owner fails to use it *properly*, or fails to monitor its use by others. "Improper use" is use which places the mark in danger of becoming generic. Thus, marks should be used consistently, and distinctively, to enhance their source-identifying function.

If an entity other than the trademark owner, uses a mark on its own products, in its own way, the mark's ability to function as an indicator of source is diminished. For this reason, all third-party uses of a mark should be licensed, and monitored carefully. Unlicensed uses, or unmonitored thirty-party licensing, can result in a finding that a mark has been abandoned.

Trademark infringement also diminishes the source-identifying capabilities of marks. When marks are appropriated unlawfully by unlicensed third parties, consumers are likely to become confused regarding the source or origin of goods or services. Therefore, trademark

owners should take steps to discover, and prosecute, adverse users. A trademark owner's failure to prosecute known infringers of a mark, may result in a finding of abandonment of trademark rights.

Our Guide to Proper Trademark Use is designed to minimize the possibility that marks will become generic, or be abandoned, inadvertently, by their proprietors.

Watching

Many trademark owners list their most important marks with a trademark "watching service." Watching services notify trademark counsel of attempts to register conflicting marks, so that timely oppositions to adverse applications may be filed. These services are particularly helpful in civil law countries, where trademark rights are secured through registration, rather than use. Too often, a trademark owner seeking to expand its business abroad, discovers that its flagship mark already has been registered in a target country – perhaps even by a local "trademark pirate." In such cases, the rightful owner may have no choice but to purchase the mark from the thief. If the owner does not submit to this extortion, it may have to select another mark, or face a lawsuit for using the mark it created! This outcome might have been avoided if a trademark watch were in place.

Watching services are available in many countries, including the U.S. Trademark watches can be customized to meet the needs of a particular business. A watch may cover one country, several, or the entire computerized world. However, watches are unavailable, or more limited, in countries without publicly-searchable, computerized, trademark databases.

Watching services are not expensive, given the level of information provided. Pursuing the leads watch notices produce can be costly, however, depending upon the mark, and the level of adverse activity. In any event, trademark watching is an invaluable practice, that can help a trademark owner protect the source-identifying function of its products or services.

Enforcement

Trademark enforcement consists of pursuing adverse users. An adverse user is one who is not authorized to use a mark, but uses it anyway, or who is authorized to use the mark, but uses it improperly.

In most instances, adverse users may be stopped without litigation, by a friendly contact from the trademark owner, or a "cease and desist" letter from the owner's attorney. Most adverse users would rather select a different mark for their products or services, than defend against a trademark infringement claim. Yet, where an adverse user is not convinced that infringement has occurred, and has invested substantially in the allegedly infringing mark, an amicable solution may not be possible. Sometimes, a trademark owner will offer to reimburse the adverse user for the cost of changing marks, to avoid the higher cost of trademark litigation. In other circumstances, particularly where wilful and large-scale infringement has occurred, trademark litigation, or arbitration, may be the only tenable approach.

The monetary remedies available in trademark infringement actions are based on the actual damages suffered by a trademark owner. These damages may include profits lost to the infringing activity, and may be trebled where the infringement is proved to have been intentional. Injunctive relief also is available, to restrain the infringer from further unlawful activity, and impound, and destroy, infringing goods.

Litigation should be avoided whenever possible. Nonetheless, trademark rights should be enforced when adverse uses are confirmed.