

Trademark

It identifies the product and its origin. It proposes to guarantee the quality of the product. It advertises the product as it represents the product. It creates the image of a product in the minds of the public, especially the consumers or the prospective consumers of the product.

What Is a Trademark?

The term trademark refers to a recognizable insignia, phrase, word, or symbol that denotes a specific product and legally differentiates it from all other products of its kind. A trademark exclusively identifies a product as belonging to a specific company and recognizes the company's ownership of the brand. Trademarks are generally considered a form of [intellectual property](#) and may or may not be registered.

KEY TAKEAWAYS

- A trademark is an easily recognizable symbol, phrase, or word that denotes a specific product.
- It legally differentiates a product or service from all others of its kind and recognizes the source company's ownership of the brand.
- Trademarks may or may not be registered and are denoted by the ® and ™ symbols respectively.
- Although trademarks do not expire, the owner must make regular use of it in order to receive the protections associated with them.¹

Functions of trademarks in India

In general trademarks execute four functions :

- (1) To identify goods or services of one seller and separate them from goods or services sold by others.
- (2) To signify that all goods or services bearing the **trademark** come from a single source, albeit anonymous source.
- (3) To signify that all goods tack the *trademark* are of an equal level of quality
- (4) As a prime instrument in selling and advertising the goods or services.
- (5) Renting by way of licensing of franchising. **Trademarks** serve two or more functions which are referred to as double function of the trademarks adding up to seven functions.
- (6) Protecting the public against confusion and deception by identifying. [The source of origin of particular products as distinguished from other similar products.](#)
- (7) Protecting the trademark owner's trade and business as well as the goodwill which is attached to his trademark.



Understanding Trademarks

Trademarks not only help distinguish products within the legal and business systems—but just as significantly—with consumers. They are used to identify and protect words and design elements that identify the source, owner, or developer of a product or service. They can be corporate logos, slogans, bands, or the brand name of a product. Similar to a trademark, a [service mark](#) identifies and distinguishes the source of a service rather than a product, and the term trademark is often used to refer to both trademarks and service marks.

Using a trademark prevents others from using a company or individual's products or services without their permission. They also prohibit any marks that have a likelihood of confusion with an existing one. This means that a business cannot use a symbol or [brand](#) name if it looks or sounds similar, or has a similar meaning to one that's already on the books—especially if the products or services are related. For instance, a soft drink company can't legally use a symbol that looks like that of Coca-Cola and it can't use a name that sounds like Coke.

A trademark does not need to be registered for the owner to prevent others from using it or a confusingly similar mark.

Trademarks in the United States are registered through the United States Patent and Trademark Office (USPTO) and are identified with the ® symbol.² But trademarks don't have to be registered in order to give the company or individual protection rights. Unregistered trademarks can be recognized with the ™ symbol. By using this symbol, the trademark user indicates they are using common law to protect their interests.³

The laws governing trademarks never expire. This means the holder has the right to the trademark for the life of the product or service. But there are certain exceptions. The user is required to make continuous, lawful use of the trademark in order to take advantage of trademark laws. So a company or individual must regularly [manufacture](#), produce, [market](#), and sell a product with a particular trademark in order for the trademark law to be enforceable. This can be done every five years by filing a section 8 declaration through the USPTO. Failure to file this can result in the loss of registration.¹⁴

Special Considerations

Trademarks can be bought and sold. For instance, Nike ([NKE](#)) purchased



the instantly recognizable Swoosh logo in 1971 from a graphic arts student for a one-time price of \$35. Trademarks also can be [licensed](#) to other companies for an agreed-upon time or under certain conditions, which can result in crossover brands. Take the relationship LEGO has with certain movie franchises, for example. The private company licenses many famous sub-brands such as Star Wars and DC Comics to produce LEGO versions of popular products.

As mentioned above, trademarks are also used as an effective way to market brand names. In fact, the [power of branding](#) in business is critical and can fill volumes, and the use of brands in marketing is legendary. Some brands, like Kleenex, are so prominent and have such successful brand identities that they have almost replaced the noun that was the original word for the item or service, like asking for a Kleenex instead of a tissue. Kimberly Clark ([KMB](#)) owns the Kleenex trademark and launched the brand in 1924 as a disposable tissue for removing cosmetics. In 1930, the company launched the brand again—this time as a substitute for handkerchiefs. Since then, Kleenex has been the number-one selling facial tissue in the world.⁵

Similarly, we generally don't ask for a "self-adhesive bandage with sterile cotton liner" but are more apt to ask for a band-aid. Consumer goods and pharma giant Johnson & Johnson ([JNJ](#)) began making sterile gauze dressings as early as 1887. But it wasn't until 1920 that the company launched its BAND-AID® Brand adhesive bandage. A cotton buyer for Johnson & Johnson, Earle Dickson, invented the band-aid:⁶

Dickson's wife was prone to cutting her fingers in the kitchen. So, Dickson wanted a bandage that his wife could apply easily. He combined two of the company's early products (adhesive tape and gauze) by placing a strip of gauze down the middle of a long piece of surgical tape that he covered with fabric to keep the adhesive from sticking. His wife could then bandage her wounds with a piece cut from the tape and gauze pad. Dickson demonstrated the invention to his boss, who told company president James Wood Johnson, and a new product was born.⁷

Trademark vs. Patent vs. Copyright

[Trademarks are distinctly different from patents and copyrights.](#)

A [patent](#) grants the design, process, and invention rights to a piece of property to its inventor. In order to be registered, the inventor must make full [disclosure](#) of the invention—the design and the process—itsself through the USPTO. This gives the inventor full protection over the product or service in question for a certain period of time—usually 20 years. Anyone can make use of the invention by producing, marketing, and selling it after



the patent expires.⁸ This is common in the pharmaceutical industry. A drug company that patents a drug has exclusive rights over it for a certain period of time before other companies can market and sell [generic brands](#) to the public.⁹

[Copyrights](#), on the other hand, give protection to the owners of intellectual property to legally copy it.¹⁰ Copyright owners and those who have the authority can exclusively reproduce the associated work for monetary gain for a specific period of time—usually until 70 years after their death.¹¹ Software, art, film, music, and designs are just some of the examples of work that are covered by copyrights. Brand names, slogans, and logos, however, are not covered. In order to get a copyright and prevent [copyright infringement](#), the filer must make an application with the U.S. Copyright Office.¹⁰

How does a company acquire rights to a trademark?

A trademark is any word, symbol, design, device, logo, or slogan that identifies and distinguishes one product or service from another.

To obtain trademark protection it is necessary for a person or a business to sell a product using the mark. Consequently, trademark rights are only acquired when the trademark is used in commerce. Additionally, it is recommended to register the trademark in order to obtain special rights in the event of infringement. Trademarks are protected by federal and state law. Trademark owners can register the trademark with the PTO (federal) or with the respective secretary of state. Trademark rights are acquired by being the first to use the mark in commerce. The first user of the mark on goods in commerce creates an association with consumers, and trademark laws are intended to protect the consumer by avoiding confusion and enabling companies to compete fairly.

Under the Trademark Law Revision Act of 1998 a trademark owner can apply for registration prior to using the mark, based upon the owner's bona fide intent to use (ITU) the mark. If the application is approved and published without opposition, the trademark owner is required to submit evidence that the mark is in use within a period of three years. Upon submitting this evidence the PTO will issue the trademark registration. Currently, trademark registration are protected for an initial 10-year period. The registrant may renew the registration for subsequent 10-year periods as long as the mark continues to be used in commerce.

The extend of trademark rights is affected by several factors. These include:

- Distinctiveness of the mark.
- The date of first use in commerce.
- The geographic area where the mark is used.
- The registration of the mark
- The goods or services associated with the mark.

What is the Process of Trademark Transfer in India?

A trademark is an owner's right to exclusively use a mark. Trademarking confers a bundle



of rights which includes the right to transfer a trademark. Trademark transfer or assignment refers to the task of legally transferring the title of a trademark from the primary owner (called the assignor) to the assignee, the person receiving such a right.

Forms of Assignment or Transfer of Trademark

Every registered trademark is assignable and transferable. It can take one of the following forms –

The transfer or assignment of a trademark can be done with or without transferring the goodwill of the business. For example, when Tata Motors took over the trademark of Jaguar's business in India, Tata Motors also took over the goodwill of Jaguar entirely in the automobile business.

Trademark allocation can also be done for some or all of the goods or services for which the trademark has been assigned. For example, a cement company having multiple other businesses like construction, quarrying, and interior designing, may assign the trademark of its construction business only.

The trademark name search tool at Vakilsearch lets you find the previously registered trademarks to avoid copyright infringement.

Significance and Formulation of Assignment Agreement

According to the Trademarks Act, 1999 a trademark allocation can only be done by an agreement in writing between the parties concerned. Therefore, both the assignor and the assignee of the trademark must execute a legal document for transferring the trademark. To help you navigate the process of drafting an assignment agreement, here are some essentials –

Details of the Mark

Since the legal title over the trademark is sought to be transferred, details about the trademark should be specified in the assignment agreement. Aspects of a trademark such as the brand name, application number, class number, and current status (active or not) should be mentioned in the assignment agreement without fail.

Delineation of Legal Titles

The assignor of a trademark must have all the rights, titles, and interests in the trademark. The operative part of the assignment agreement must explicitly mention that the person transferring the trademark is its lawful owner. It must also establish that the assignor (either themselves or through their successor, power of attorney holder) has the complete right, absolute power, and lawful authority to sell or assign the mark.

Consideration

The assignment agreement should mention the amount paid by the assignee to the assignor in exchange for the trademark allocation. The receipt of consideration establishes that all rights, titles and interests in the trademark together have been assigned.

Goodwill

You may also specify whether the transfer of trademark includes the transfer of the goodwill of the business, product permission and other intellectual property rights.

Dispute Resolution and Governing Law

Parties may mutually decide to include appropriate jurisdiction for dispute resolution. They



may also include a clause preferring arbitration specifying the seat of such arbitration and the choice of law governing the dispute.

Details About Ancillary Intellectual Property Rights

By way of the trademark assignment agreement, an assignee must specify that a trademark's trade name, internet domain names, and applications for the registration thereof together with all of the goodwill associated therewith are transferred.

It is also in the assignee's interest to ensure all other intellectual and industrial property rights of every kind which are transferred are mentioned in full detail.

The assignor and assignee may mutually decide on the formalities relating to assignment registration, renewals, extensions, continuations, divisions, reissues, etc.

Other Relevant Details the Assignment Deed Must Mention:

The assignee's right to sue against any other party for trademark infringement. The assignor's delineation from any right or interest in the said trademark after the agreement is concluded.

A statement that proclaims that the assignee would be entitled to use and enjoy the trademark for their business without any objection or interruption by either the title owner or any person laying claim under them.

The Procedure of Assignment or Transfer of Trademark

Step 1: Application for trademark assignment

Application for assignment can be made by the assignor or by the assignee or by both.

Step 2: Filing Form TM-P

To submit your application to the Registrar of trademark assignment, you will have to complete the formalities associated with form TM-P and pay the requisite fee.

Step 3: Documents submission

You must then submit all the required documents within 6 months from the date of acquisition. To know more about the documentation process, get in touch with our experts.

Step 4: Application processing and advertisement of assignment

Once the application is processed, the applicant must advertise the assignment in such a manner as directed by the registrar. A copy of the advertisement should also be submitted to the Registrar's office.

Step 5: Approval

Once the application is verified, the registrar will register the assignee as the proprietor of the trademark.

How to do Trademark Transfer the Easy Way

The process of trademark assignment is time-consuming and requires extensive documentation. However, it can be highly lucrative and extremely profitable. Therefore, we recommend that you lean on Vakilsearch, India's most trusted trademark expert to execute trademark assignments.





Edit with WPS Office