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## NEED TO KNOW ABOUT TRADE MARK REGISTRATION BY YOUNG ENTREPRENEURS

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**Abstract:** *Every successful business has an element of intellectual property (be it a trade mark or a patent or an industrial design or a copyright) as part of its successful business strategy. Trade mark as a branch of Intellectual Property Law has assumed much significance as it represented the source of goods and services and communicated to the consumers on the behalf of the source*

*A trademark is a vehicle of goodwill and brand loyalty and occupies the mind space of the consumer's worldwide, thereby making it more valuable than its present earning capability. It is a carrier for quality and also acts as a great advertising vehicle. A trademark permeates into the mindset of the consumer in such a manner that the cost of the goods or services represented by a trade mark sometimes has no relevance to the physical composition or value of such goods or services. While the law does not make registration compulsory, registration of trademarks provide tangible benefits in the form of ready recognition of ownership and special protective measures against infringement under the Trademarks Act, 1999. The law requires certain sine qua non features for a mark to graduate into a trademark. There is an imperative need on the part of the entrepreneurs particularly young entrepreneurs to know about the significance of trademark as well as process of registration of trademark under the Trademark Act 1999 and Trademark Rules 2017.*

**Keywords:** *trademark, goodwill, brand loyalty, sine qua non, infringement, Protective measures, ownership recognition*

### INTRODUCTION

Trademarks commonly referred to as 'identifying marks' or 'distinctive marks' have been recognized in some form or the other, since times immemorial. They were one of the foremost forms of intellectual property protection witnessed by the world and have undergone a steady evolution since then. Since the memory of man runneth not to the contrary, people, products, and services have been identified by one or more names or



symbols such that when a member of the consuming public sees the word or symbol, or combinations thereof, it virtually and automatically associates the word or symbol with the source of that product or service. Trade mark as a branch of Intellectual Property Law has assumed much significance as it represented the source of goods and services and communicated to the consumers on the behalf of the source. Perhaps one of the oldest form of Intellectual Property is the Trade Mark and thereafter Service Mark as regards services, both more commonly referred to as “Brand” in advertising parlance. The essence of Brand is the consumer’s subconscious association or loyalty to such words and symbols with a product or a service with that of its source. With the advent of more and more foreign companies setting up shop in India post liberalization and more recently with the make in India objectives of the Government the law and jurisprudence as regards registration and protection of trade mark has undergone massive change. It is pertinent for any business entity to “brand” their product or services so as to make a distinction in the crowded market and also to act as a harbinger of their avowed objective i.e., quality, efficiency, cost effectiveness etc.

The first legislation on trade marks can be traced to England where the Bakers Marking Law, 1266 was enacted, which governed the use of stamps or pinpricks on loaves of bread. Hence a mark used to be identifier of ownership got transformed into in to trade mark and ultimately the representative of the owner or the communicator of the source of goods and services to the general public.

Trade Marks Act, 1999 defines the term ‘mark’ to include a device, brand, heading, label, ticket ,name, signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof. The said Act defines the term ‘trade mark’ to mean a mark capable of being represented graphically and capable of distinguishing the goods or services of one person from that of the other and may include shape of goods, their packaging and combination thereof. Hence a trade mark has to be a mark in the first instance and then it should be capable of distinguishing goods or services of one person from that of the other. Hence a trade mark which was originally meant to indicate source indicator has evolved into an Intellectual Property capable of distinguishing goods or services of different persons. A trademark is a vehicle of goodwill and brand loyalty and occupies the mind space of the consumer’s worldwide, thereby making it more valuable



than its present earning capability. It is a carrier for quality and also acts as a great advertising vehicle. A trade mark permeates into the mindset of the consumer in such a manner that the cost of the goods or services represented by a trade mark some times has no relevance to the physical composition or value of such goods or services. Thus a "Trigger" jean will cost you few hundreds of rupees whereas a D&G jeans will set you back by tens of thousands of rupees! In today's business context a trade mark is considered to be a very valuable asset whose value will be many multiple more than the physical assets owned by business. Brand valuations in respect of well known popular brands are valued in billions of dollars. Trade mark apart from trade secrets is the only other branch of Intellectual Property which has no validity period limitations.

Unlike other Intellectual Property (IP) assets like Designs and Patents, trademarks and service marks are the most common forms of IP assets recognized by the consumers. The Trade Marks Act, 1999 (the Act) and recently notified Trade Marks Rules, 2017 (the Rules) provides the legal framework for registration and enforcement of registered trade mark in India.

### **GRAPHICAL REPRESENTATION**

One of the most important features of a trade mark is its ability to be represented graphically. Graphical representation means the ability of the trademark to be represented on a paper. The Rules provide that in case of a sound mark the reproduction of sound in MP3 format not exceeding 30 seconds length recorded on a medium which enables easy reproduction accompanied with a graphical representation on musical notations representing the sound on paper. Thus in respect of even in respect of unconventional marks like sound graphical representation on paper is must. However, the continuation of requirement of the concept of graphical representation under Act will have to be examined, since, with the advent of smell marks, feel marks and other kinds of emerging unconventional trade mark, the real utility of the graphical representation taken a back seat.

### **QUALIFICATIONS FOR A TRADE MARK / SERVICE MARK**

- Mark should be inherently distinctive. For eg. Apple for computers, Pepsi for soft drinks.
- If a mark is not distinctive it should have at the least acquired distinctiveness by deriving a secondary meaning. For eg. 5 minute for glue registered due to long use.



- Mark should not be confusingly similar to a well known trade mark / service mark so as not to cause confusion in the minds of the consuming public.
- Mark should not be generic. For eg. Apple - for apples.
- Mark should be short, crisp, preferably fanciful or arbitrary i.e., a coined word or expression. For eg. Kodak – for photographic goods, Lyril – for soaps.
- Mark should preferably not descriptive (unless derives a secondary meaning). For eg. 2 minute Noodles of Maggie – though descriptive but registered due to acquired distinctiveness.

### **DISQUALIFICATIONS FOR A TRADEMARK / SERVICE MARK**

- Mark lacking a distinctive character i.e., not capable of distinguishing the goods or services of one person from those of the other.
- Mark denotes kind, quality, quantity, intended purpose, value, geographical origin or the time of production of goods or services.
- Mark which has become generic or which has become part of the common language.
- Mark is capable of causing confusion in the minds of the consumers.
- Mark contains any matter which is likely to hurt the religious sentiments of any class or section of society.
- Mark contains scandalous or obscene matter.
- Mark is prohibited under Emblems and Names (Prevention of Improper Use) Act, 1950.
- Mark consists exclusively shape of the goods which results from the nature of the goods themselves or which is necessary to obtain a technical result. Eg. UK Trade mark office refused registration of coca cola bottle as trademark on the above ground

### **LONGER THE USE, EASIER THE RECOGNITION**

A trademark gains goodwill and reputation with use. Longer the use greater is its goodwill and reputation. It is the popularity and the ability of the consumer in identification of mark or a brand vis-à-vis the goods or services which makes the mark to succeed. The brand lives in the minds of the consuming public. In fact that is what helps in registration of the mark and countering objections, if any, from any quarter and also in anti-piracy measures. Long



use also helps even in non-inherently distinctive marks like descriptive marks, marks bearing geographical connotations or personal names to gain uniqueness or secondary meaning and hence gains force while seeking registration.

### **REGISTRATION THOUGH NOT COMPULSORY, BUT IS ADVISABLE**

The said Act does not make it compulsory for a trade mark to be registered. In fact of all the Intellectual Properties it is the trademark / service mark and trade secrets have no expiry period. The longer the proprietor of the mark wants the mark to be in the market, the mark shall remain to be valuable. One good example is that of the mark "Goldspot" which was previously owned by Parle, but was acquired by Coca Cola. The mark "Goldspot" which was an orange flavoured soft drink, was killed consciously by Coca Cola in order to popularize its own brand "Fanta". Though registration of a trademark / service mark is not compulsory, it is advisable to register the same, to enable better protection and immediate recognition of ownership. Registration also increases the brand value in a mark as it establishes the ownership and statutory acceptance of the mark as a trademark. One should understand that all marks need not be trademarks whereas all trademarks have to necessarily be marks. Registration helps an owner of a trade mark two important ways: (a) proof of ownership and (b) helps in taking action against infringement. A third aspect has been added to the stated two above with the bringing into force of the Rules i.e., registration of a trade mark as a well known trade mark. Let us now go on to understand the requirement for registration of a trade mark as per the Act and the Rules.

### **PRACTICAL ASPECTS REGARDING REGISTERING A TRADEMARK / SERVICE MARK**

**Step 1:** Conduct a search on the portal [www.ipindia.nic.in/tmr](http://www.ipindia.nic.in/tmr) to find out the existence of any identical or similar mark in respect of the goods / services they represent. Recently the official search facility has been discontinued by the Trade mark registry (both ordinary and emergent applications) and the same can be done by the applicant or his agent himself free of cost.

**Step 2:** An analysis of the search will reveal the presence of similar or identical marks. This would also suggest the likely opposition while prosecuting the application and on advertisement. Proceed with the filing of the application for the registration of the trademark / service mark under the relevant classes of goods / services.



**Step 3:** Answer the examination observations and objections of the Registrar of Trademark / service mark within the prescribed time period of one month and to obtain an order for advertisement before acceptance. If no reply to the examination report is received then the application shall be deemed to have been abandoned.

**Step 4:** If the application is accepted by the Registrar then the Registry will advertise the mark in the trademarks journal in online (again physical journal has been discontinued) for the public or any other person to object against the registration of the mark. Opposition to the registration of trade mark has to be filed within four months from the date of publication. Counter the oppositions, if there be within a period of two months of receipt of notice of opposition. If the opponent prefers to file a counter statement then it shall be done within two months from the date of receipt of the counter statement by adducing additional evidence by way of an affidavit in support of the opposition. The applicant can provide in support of the application within two months of the opponent's supply of evidence in support of opposition. On receipt of the same, the opponent within one month thereof reply to the evidence adduced by the applicant. Further evidence can be adduced with the permission of the Registrar, if he thinks fit.

**Step 6:** Hearings are held, after closure of evidence by the Registrar. If the applicant is not present in the hearing the application can be treated as abandoned. Not more than two adjournments will be provided and an adjournment shall not be more than 30 days.

**Step 7:** Obtain the registration certificate if so ordered by the Registrar.

The "R" letter in a circle, can be used in association with a registered trademark / service mark only when it is registered. In case of an unregistered trademark the letters "TM" and in case of a Service Mark the letters "SM" can be used in association with the mark. Further, it is not that only a mark in use can be registered. Even if a mark is proposed to be used in connection with goods or services can be registered under "proposed to be used category". Any wrong indication for a trade mark with the letter "R" with circle when such a mark is not registered is a punishable offence under the Act.

## **REGISTRATION OF WELL KNOWN TRADE MARK**

"Well Known Trade mark", in relation to any goods or services, means a mark which 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. The Rules now provide a procedure for making an application to the Registrar. The Registrar upon determining whether the mark applied deserves to be registered as a well known trade mark the Registrar may invite objections from the public within thirty days of publication. If the trade mark applied is registered as well known trade mark it shall be entered in the list maintained for that purpose by the Registrar.

### **THE DREADED GENETIC TRAP**

Careless usage of a mark can turn a good and an effective mark in to a generic term. The case of “Thermos” with regard to flask is a good example. “Thermos” is the trademark for flasks and the usage of the public was so rampant that the brand “Thermos” became a generic name in the flask industry and every flask irrespective of the manufacturer was referred to as “Thermos Flask”. Another example is that of “Fridgidaire” for ice boxes owned by General Electric. The use of the mark was so rampant that ice boxes were generally referred as “Fridge” irrespective of the manufacturer and thus the mark fell into the public domain. So is the case of Nylon, Dalda, Kerosene, velcro etc. Unlike a trade mark, which identifies the source of a product, a generic term merely identifies the genus of which the particular product is a species. Hence popularity of a mark gives a very good brand value and earnings, at the same time care should be taken to protect the mark from careless use.

### **JURISDICTION OF REGISTRATION**

Like any other Intellectual Property, trade mark / service mark registration is limited to the jurisdictional limits of the territory in which it is registered. A mark registered in India is recognized as a registered trade mark / service mark only within India. There is nothing called world wide registration or international registration. If a particular mark registered in India is required to be registered in USA, then the procedure established under the respective laws of that country need to be complied with. India is in the process of acceding to the Madrid Protocol with both the houses of the Parliament clearing the accession. Once India formally accedes to the Madrid Protocol, registration amongst the members of the Madrid Protocol becomes easy with single application.

### **ENFORCEMENT**





Proper and timely enforcement procedures should be initiated against any identical or similar marks in the market so as to protect the trade mark against marks which are deceptively similar, conflicting and phonemically similar so as to cause confusion, dilution of original mark. Further anti-piracy measures should be initiated in case of counterfeit goods which if unrestricted will result in tarnishment of the brand.

### **NEW MEASURES IN NEW TRADE MARK RULES, 2017**

The Rules has completely changed the forms and certain process involved in trade mark registration under the Act. From the total of 70 plus forms under the old dispensation, the new Rules provides for a mere 8 forms. The Rules provide for a special treatment for SMEs and start-ups as part of the Government's Make in India initiative. A massive 50% discount in the fees payable for the registration process in the normal mode and in the fast track mode is provided. Further a reduction of 10% of the fee payable is provided for e-filing over physical filing of forms. The concept of recognising a trade mark as well known trade mark (which so far has been through court process in an infringement proceedings) has now been enabled through separate process for making an application and including such marks in a separate list maintained by the Registrar.

### **PRACTICAL QUESTIONS TO BE CONSIDERED BY YOUNG ENTREPRENEURS**

1. Do you use a trade mark / service mark in connection with the goods your trade or manufacture or services you render?
2. Does the mark affixed on your goods / services differentiate your goods / services from that of others in the market?
3. Do you have documentary evidence for the period of use you claim for the trade mark?
4. Are you spending on advertising your mark / brand vis-à-vis your goods / services?
5. Are you proposing to introduce any new trademark / brand in the market in the near future?
6. Have you realized that the trademark / service mark / brand your business owns is a valuable asset which can be sold or purchased in a business acquisition?
7. Do you know that your mark / brand can be licensed / assigned to another person and can earn a royalty?

### **CONCLUSION**

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Trade mark as a branch of Intellectual Property Law has assumed much significance as it represented the source of goods and services and communicated to the consumers on the behalf of the source. With the advent of more and more foreign companies setting up business locations in India post liberalization and more recently with the make in India objectives of the Government, the law and jurisprudence as regards registration and protection of trade mark have undergone a sea change. If an entrepreneur answers all the following answers with “yes”, then it is proper for such an entrepreneur to proceed to register his mark under the Act in order to avail the benefits under the Act which is specifically applicable only to registered trade mark.

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