

General Agreement on Tariffs and Trade (GATT) was concluded in 1994 and is adhered to by most of the major industrialized nations in the world. The most significant changes to US intellectual property law from GATT are that nonuse of a trademark for three years creates a presumption the mark has been abandoned and that the duration of utility patent is now twenty years from the filing date of the application (rather than seventeen years from the date the patent issued, as was previously the case).

THE INCREASING IMPORTANCE OF INTELLECTUAL PROPERTY RIGHTS

- Protecting Intellectual Property Rights
- Technology has led to increase awareness about the IP
- Some individuals and companies offer only knowledge. Thus, computer consultant, advertising agencies, Internet companies, and software implementers sell only brainpower
- Domain names and moving images are also be protected
- More than fifty percent of US exports now depend on some form of intellectual property protection
- The rapidity with which information can be communicated through the Internet has led to increasing challenges in the field of intellectual property
- The most valuable assets a company owns are its Intellectual property assets
- Companies must act aggressively to protect these valuable assets from infringement (breaching, violation of law) or misuse by others
- The field of intellectual property law aims to protect the value of such investments

UNIT-2

TRADE MARKS

Introduction

Although there was some use of trademarks or symbols in the Middle East and Far East several centuries ago, contemporary (modern) trademark law can be traced back to use of trademarks during the medieval period in Europe by merchants who sought to distinguish the goods they sold from those sold by others by applying a mark or symbol to their goods. By viewing the mark, purchasers would immediately be able to identify the craftsman that made the goods and make an informed decision about the quality of the material. The use of symbols by medieval craftsmen to distinguish and identify their goods is the direct antecedent for the modern use of trademarks.

Definition of Trademark:

The modern definition of trademark is that **“it is a word, name, symbol, or device or a combination thereof, used by a person [including a business entity], or which a person has a bonafide intention to use, to identify and distinguish his or her goods from those manufactured by others and to indicate the source of those goods”**

PURPOSE AND FUNCTION OF TRADEMARK

Trademarks perform two critical functions in the marketplace: [1] **they provide assurance that goods are of a certain quality and consistency, and [2] they assist consumers in making decisions about the purchase of goods**. The main purpose of trademark is to show the difference about the quality of goods and service. **For example:** If a trademark such as NIKE could be counterfeited (imitating) and used by another on inferior merchandise (goods), there would be no incentive for the owners of the NIKE mark to produce high-quality shoes and to expend money establishing consumer recognition of the products offered under the NIKE marks.

Thus, protection of trademarks results in increased competition in the marketplace, with both the producer of goods and services and the consumer as the ultimate beneficiaries. Business benefit because they can reap the rewards of their investment in developing and marketing a product with one fearing another business will deceive consumer by using the same or a confusingly similar mark for like goods, and consumers benefit because they are able to identify and purchase desired and quality goods.

The value inherent in achieving consumer loyalty to a particular product or service through the maintenance of consistent quality of the products or service offered under a mark is called goodwill.

- they identify one maker's goods or services and distinguish them from those offered by others
- They indicate that all goods or services offered under the mark come from a single producer, manufacturer, or "source"
- They indicate that all goods or services offered under the mark are of consistent quality and
- They serve as an advertising device so that consumers link a product or service being offered with a mark

TYPES OF MARKS

There are four different types of marks. They are:

1. Trademark
2. Service mark
3. Certification mark
4. Collective mark

Trademark & Service mark

The term trademark thus refers to some physical and tangible good, and service mark refers to an intangible service, in common usage the term *trademark* is often used to refer to marks for both goods and service. The key point in this legal description is that a trademark is a visual mark that may use any combination of letters and imagery to aid a company in differentiating itself from other entities.

The purpose of a trademark is to visually represent a person, company, or product, and trademark should be designed to provide easy and definite recognition. The term **mark** will be used as a synonym for both trademark and service marks. The federal statute ((law) an act passed by a legislative body) governing trademark law, the US Trademark Act (Lanham Act, found at 15 USC 1051 et seq) itself states that the term mark includes any trademark, service mark, collective mark, or certificate mark.

A Certification mark

A certification mark is a word, name, symbol, device, or combination thereof, used by one person to certify that the goods or services of others have certain features in regard to quality, material, mode of manufacture, or some other characteristic (or that the work done on the goods or services was performed by members of a union or other organization). **For example:** Hallmark, ISO mark and in US Underwriters Laboratory seals of approval (*Underwriters Laboratory is the largest and best known independent, not for profit testing laboratory in the world based in Northwood, Illinois, UL conducts safety and quality tests on a broad range of products, from firedoor's to CCTV cameras seals of approval*)

Collective Mark

A collective mark is one used by a collective membership organization, such as a labor union, fraternity, or professional society, to identify that the person displaying the mark is a member of the organization. Thus, the FUTURE FARMERS OF AMERICA and AMERICAN BAR ASSOCIATION marks indicate membership in certain organizations. A company may use several marks.

For Example: the word: COCA-COLA, the stylized WAVE DESIGN, and the slogan “THINGS GO BETTER WITH COKE” All of these marks are used on one product and all are protected by the Coca-Cola Company On some occasions, companies use house marks to establish recognition in a wide range of products or service

ACQUISITION OF TRADEMARK RIGHTS

In most foreign countries, trademark rights arise from registering the mark with a governmental entity The law in the United States is quite different: trademark rights arise from adoption and *use* of a mark A person using a mark may have valid and enforceable rights in a mark even though the mark is not registered with the PTO, such an owner will have priority even over a subsequent user who has secured a federal registration for a mark with the PTO The “use” required to establish trade mark rights is more than token use, it must be public use, while actual sales of products or services are not required, a certain level of presale activity is required

For example: Sales within a company or to personal friends are insufficient to show use, while soliciting [plead for something] and accepting order is usually sufficient to show commercial use Thus, a person using a mark may have valid and enforceable rights in a mark even though the mark is not registered with the PTO Such an owner will have priority even over a subsequent user who has secured a federal registration for a mark with the PTO

Establishing a date of first use is critical for a trademark owner because priority of trademark rights is measured from this date If one party first used of mark on September 15, 2015 and another first used a similar mark on October 15, 2015, the prior, or **senior, user** will be able to preclude the **junior user** from using a confusingly similar mark

For a mark to be registrable, it must be based on use in commerce, meaning the type of commerce that can be regulated by Congress Generally, the use is based on interstate commerce or commerce between states (although it could be based on commerce between the United State and a foreign country) A purely intrastate use does not provide a basis for federal registration of a mark

A purely intrastate use does not provide a basis for federal registration of a mark. The requirement of interstate (within one state) commerce is satisfied if the goods or services are advertised in more than one state, offered to citizens of more than one state, or offered on the Internet, which is considered use in commerce because it is available to a national audience through the use of telephone lines.

The general rule is that acquisition of trademark rights stem from use, there is one exception to this rule: the **intent-to-use application**. Until 1989, the United States was one of only two countries in the world that required that a mark be in actual use before an owner could file an application to register it. After an applicant had begun using the mark and then filed an application, the PTO might refuse registration of the mark on the basis it was confusingly similar to a prior mark or was subject to some other defect. The applicant would then have invested substantial money and time in developing the mark, in using it in commerce, marketing and advertising, and in applying for registration, only to be told the mark was unregistrable.

To remedy this situation, the Trademark Law Revision Act of 1988 allowed persons to file applications for marks based on a bona fide intent to use the mark in commerce in the future. If the PTO determines the mark is unregistrable, the applicant will not have expended any sums other than the PTO filing fee and can readily file another application for a new mark. Once the mark proceeds to registration, priority is measured from the date the intent-to-use-application was filed, even though that filing date may precede actual use in commerce by more than three years.

Minimal or token use cannot serve as the basis for securing or maintaining a registration, ensuring that an owner does not reserve or “warehouse” a mark by making only sporadic use of it with the intent to block others from using it rather than having a true commercial intent to exploit the mark for sales. The PTO desires to clear its records of unused marks, or “deadwood”, so that such unused marks may be available by others. The use required is “bonafide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark”, 15 USC 1127.

COMMON LAW RIGHTS, FEDERAL REGISTRATION UNDER THE LANHAM ACT, LAWS AND TREATIES GOVERNING TRADEMARKS, AND STATE TRADEMARK RIGHTS

Common Law Rights

The United States, trademark rights arise from use of a mark It is not necessary to secure permission or registration from any governmental entity to acquire trademark rights A party who is using a mark without any such governmental registration is said to have a **common law trademark**, it can be enforced in any geographical area in which the mark is used

Federal Registration

Although there is no requirement that a trademark owner apply for a secure federal registration of mark with the PTO, registration on the PTO's Principal Register does offer several advantages:

- nationwide constructive use effective from the filing date of the application (the public assumed to have notice that the registrant has nationwide priority in the use of its mark as of this date)
- nationwide notice to the public of an owner's claim to a mark, thereby precluding a later user from claiming it used a mark in good faith in a remote territory and should be able to continue use;
- the ability to bar importance of goods bearing infringing trademarks
- the right under the Paris Convention to obtain a registration in various foreign countries based upon the US registration;
- the right to bring an action in federal court for trademark infringement and recover lost profits, damages, costs, and possibly triple damages and attorney's fees

- incontestable status of the registration after five years of continuous use subsequent to the registration
- the right to use the registration symbol with the mark
- a possible basis to claim priority to an Internet domain name and
- prima facie (literally, “on its face”) evidence of the validity of the registration, the registrant’s ownership of the mark, and the registrant’s exclusive right to use the mark in connection with the identified goods and services

Laws and Treaties Governing Trademark

There are several laws and treaties governing trademark, including the following:

Lanham Act The federal statute governing trademark rights is the **Lanham Act** (also called the United States Trademark Act and found at 15 USC § 1051 et seq), enacted in 1946 and named for Congressman Fritz Garland Lanham (DTex), the then chair of the House Patent Committee (which also proposed legislation relating to trademarks) who introduced the legislation

In addition to providing for federal trademark protection, the Lanham Act also includes statutes prohibiting unfair competition The Lanham Act has been amended numerous times Perhaps the most significant amendment occurred with the Trademark Law Revision Act of 1988, which provided the following two critical changes: allowing for a trademark application based on the applicant’s intent to use a mark in the future Rules of practice and procedure relating to trademarks are found at Title 37 of the Code of Federal Regulation (CFR)

North American Free Trade Agreement (NAFTA) came into effect on January 1, 1994, and is adhered to by the United States, Canada, and Mexico The NAFTA resulted in some changes to US trademark law, primarily with regard to marks that include geographical terms

The NAFTA was built on the success of the Canada-US Free Trade Agreement and provided a compliment to Canada's efforts through the WTO agreements by making deeper commitments in some key areas This agreement has brought economic growth and rising standards of living for people in all three countries

Madrid Protocol It is a legal basis is the multilateral treaties Madrid (it is a city situated in Spain) Agreement concerning the International Registration of Marks of 1891, as well as the protocol relating to the Madrid Agreement 1989 The Madrid system provides a centrally administered system of obtaining a bundle of trademark registration in separate jurisdiction The protocol is a filing treaties and not substantive harmonization treaty It provides a cost-effective and efficient way for trademark holder It came into existence in 1996 It allows trademark protection for more than sixty countries, including all 25 countries of the European Union

Trade-Related aspects of Intellectual Property Rights (TRIPs) is an international agreement administered by the World Trade Organization (WTO) that sets down minimum standards for many forms of intellectual property (IP) regulation as applied to nationals of other WTO Members It was negotiated at the end of the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) in 1994

The Doha declaration is a WTO statement that clarifies the scope of TRIPS, stating for example that TRIPS can and should be interpreted in light of the goal "to promote access to medicines for all" Specifically, TRIPS requires WTO members to provide copyright rights, covering content producers including performers, producers of sound recordings and broadcasting organizations; geographical indications, including appellations of origin; industrial designs;integrated circuit layout-designs; patents; new plant varieties; trademarks; trade dress; and undisclosed or confidential information TRIPS also specifies enforcement procedures, remedies, and dispute resolution procedures

Trademark Law Treaty Implementation Act (TLTIA) effective in late 1998 simplified several requirements relating to trademark registration and maintenance **For example:** at present, the applicant need only submit one specimen showing how a mark is used rather than three, as was previously required

Additionally, a trademark applicant need no longer state the manner in which the mark is used Finally, TLTIA established a six month grace period for filing a renewal for a trademark registration

Federal Trademark Dilution Act The **Federal Trademark Dilution Act of 1995** is a United States federal law which protects famous trademarks from uses that dilute their distinctiveness, even in the absence of any likelihood of confusion or competition It went into effect on January 16, 1996 This act has been largely supplanted by the Trademark Dilution Revision Act of 2006 (TDRA), signed into law on October 6, 2006

Anticybersquatting Consumer Protection Act 15 USC § 1125(d), is an American law enacted in 1999 that established a cause of action for registering, trafficking in, or using a domain name confusingly similar to, or dilutive of, a trademark or personal name The law was designed to thwart “cybersquatters” who register Internet domain names containing trademarks with no intention of creating a legitimate web site, but instead plan to sell the domain name to the trademark owner or a third party Critics of the ACPA complain about the non-global scope of the Act and its potential to restrict free speech, while others dispute these complaints

Before the ACPA was enacted, trademark owners relied heavily on the Federal Trademark Dilution Act (FTDA) to sue domain name registrants The FTDA was enacted in 1995 in part with the intent to curb domain name abuses The legislative history of the FTDA specifically mentions that trademark dilution in domain names was a matter of Congressional concern motivating the Act Senator Leahy stated that “it is my hope that this anti-dilution statute can help stem the use of deceptive Internet addresses taken by those who are choosing marks that are associated with the products and reputations of others”

CATEGORIES OF MARKS

Although marks can consist of words, symbols, designs, slogans, or a combination thereof, not every term is protectable Even among marks that are protectable, some marks are stronger than other In determining strength of marks, courts recognize several categories of marks In ascending order of strength and protectability, the five categories are: