



ACQUIRED DISTINCTIVENESS UNDER THE INDIAN TRADEMARKS ACT, 1999: A CONSUMER WELFARE CONUNDRUM

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ABSTRACT

There is undeniably a considerable amount of discourse surrounding the Concept of Acquired Distinctiveness vis-à-vis the Trademark Regimes across the globe, including the Indian jurisdiction. In order to familiarize the reader with this legal exception available to descriptive words or generic marks as a valid defense to the 'descriptiveness' ground of refusal for trademark registration, the author takes a deep dive into the Legal Framework regulating trademark protection under the proviso to Section 9(1) of the Indian Trademarks Act, 1999.

Thereafter, the paper progresses to undertake a brief overview of Acquired Distinctiveness as legislated and adjudicated in the European Union and the United States of America. Simultaneously, the author utilizes the 'Four Major Theoretical Pillars of Intellectual Property Rights', as posited by Professor William Fisher in his seminal article to ground the conceptualization of Acquired Distinctiveness across all three jurisdictions.

Lastly, the author shifts their gaze towards analyzing the detriment caused to public interest as a consequence of the legislative and judicial legitimization of the lack of prudence displayed by the claimants of trademark protection over descriptive words or generic marks that have assumed a secondary meaning in the eyes of the public. The paper concludes with a fairly straightforward yet important recommendation, which urges courts, particularly in India, to take into account the manner in which the aforementioned trademarks acquired distinctiveness, prior to granting them protection under the Proviso to Section 9(1).

Keywords: Acquired Distinctiveness; Trademark; Descriptiveness; Secondary Meaning; and Consumer Welfare.

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INTRODUCTION

“A good trademark, whether a word mark or symbol, is devoid of fashion or trend, which makes it potentially iconic if it’s seen for long enough in the right places.”

- Ivan Chermayeff*

In the modern era, it wouldn’t be incorrect to imply that only a few individuals could adduce plausible arguments against the importance and sheer omnipresence of trade marks.² Time and again, Trade Mark Law assumes centrality in discussions pivoted on the broader framework of Intellectual Property Rights, particularly with intermittent judicial interventions across the globe.³ These interventions often chart out the contours of Trade Mark Law, whose expanses are seemingly fathomless.

Before delving into the intricacies of the Legal Frameworks governing Trademark Protection in India and other jurisdictions, it is imperative to acquire a sound understanding of what Trade Marks entail and the purposes they serve. In simple terms, trademarks can be characterized as a string attaching two pieces of paper together. While one of these pieces is the purchaser or consumer, the one denotes the seller. The string forges a nexus between the seller and the end consumer, by representing the products or services offered by the former⁴ and simultaneously distinguishing them from the products or services provided by rivals in the market.⁵

Under the Indian Trade Marks Act, 1999, a trade mark is defined as:

“a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others and may include shape of goods, their packaging and combination of colours ; and –

- (i) in relation to Chapter XII (other than section 107), a registered trade mark or a mark used in relation to goods or services for the purpose of indicating or so as to indicate a connection in the course of trade between the goods or services, as the case may be, and some person having the right as proprietor to use the mark; and*
- (ii) in relation to other provisions of this Act, a mark used or proposed to be used in relation to goods or services for the purpose of indicating or so as to indicate a connection in the*

² Miresi Cela, “The Importance of Trade Marks and a Review of Empirical Studies” 4(3) *European Journal of Sustainable Development* 125-134 (2015), available at: <http://www.ecsdev.org/ojs/index.php/ejsd/article/view/292> (last visited on October 1, 2023).

³ *L’Oreal SA v. Bellure NV* (C-487/07) [2009] ECLI 378 [¶58].

⁴ Jacob Jacoby, “The Psychological Foundations of Trademark Law: Secondary Meaning, Acquired Distinctiveness, Genericism, Fame, Confusion and Dilution” *NYU - Centre for Law & Business Research Paper No. (00-03)* 4 (2000), available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=229325 (last visited on October 1, 2023).

⁵ Mark P McKenna, “The Normative Foundations of Trade Mark Law” 82(5) *Notre Dame Law Review* 1844 (2007), available at: https://scholarship.law.nd.edu/cgi/viewcontent.cgi?article=1224&context=law_faculty_scholarship (last visited on October 1, 2023).

course of trade between the goods or services, as the case may be, and some person having the right, either as proprietor or by way of permitted user, to use the mark whether with or without any indication of the identity of that person, and includes a certification trade mark or collective mark.”⁶

Through the course of this paper, the author shall attempt to specifically examine the aspect of ‘acquired distinctiveness’ within the realm of Trade Mark Law.⁷ For this purpose, the research shall *firstly*, analyze the Indian Legal Framework of Trade Mark Protection in the country. This analysis shall entail a due consideration of both the statutory material and judicial precedents in India.

Along similar, the author shall *then* progress to a scrutiny of the Laws and Jurisprudence surrounding Acquired Distinctiveness in the jurisdictions of the European Union (EU) and the United States of America (USA) respectively. This scrutiny shall be accompanied with a brief characterization of the Trade Mark Protection Regimes in India, the EU, and the USA in accordance with the Four Primary Theoretical Underpinnings of Intellectual Property Rights.⁸ *Lastly*, the paper shall entail a principled juxtaposition of the Exception of Acquired Distinctiveness in Trade Mark Law with the ‘Public Confusion’ Theory⁹ and General Standards of Consumer Welfare.¹⁰ This portion will also factor in the costs¹¹ incurred by members of the public as a consequence of an exemption being granted to descriptive names or generic symbols vis-à-vis Trade Mark Protection.

TRADEMARK PROTECTION IN INDIA: THE ASPECT OF ACQUIRED DISTINCTIVENESS

Under the Trade Marks Act, 1999, the registration of trade marks is preceded by the categorization of the goods and/ or services in conformity with the Global Classification of Goods and Services

⁶ The Trade Marks Act, 1999, s. 2(1)(zb) r/w s 2(2)(a).

⁷ *Id.* at s. 9(1)(b), proviso.

⁸ William Terry W Fisher, “Theories of Intellectual Property” in Stephen Munzer (ed), *New Essays in the Legal and Political Theory of Property* 1-29 (Cambridge University Press, 2001), available at: <https://cyber.harvard.edu/people/tfisher/iptheory.pdf> (last visited on October 5, 2023).

⁹ Lisa P Lukose, “Consumer Protection vis-à-vis Trade Mark Law” 1(1) *International Journal of Consumer Law & Practice* 89-101 (2013), available at: https://www.researchgate.net/publication/291354699_Consumer_Protection_Vis_a_vis_Trademark_Law (last visited on October 5, 2023).

¹⁰ P Sean Morris, “The Economics of Distinctiveness: The Road to Monopolization in Trade Mark Law” 33(3) *Loyola of Los Angeles International & Comparative Law Review* 383 (2011), <https://digitalcommons.lmu.edu/cgi/viewcontent.cgi?referer=&httpsredir=1&article=1666&context=ilr> (last visited on October 5, 2023).

¹¹ William M Landes and Richard A Posner, “Trade Mark Law: An Economic Perspective” 30(2) *The University of Chicago Press for The Booth School of Business, University of Chicago & The University of Chicago Law School* 273-280 (1987), available at: [https://www.jstor.org/stable/pdf/725498.pdf?refreqid=excelsior%3A015065c2c180a2c08d256d4550a973ae&ab_se](https://www.jstor.org/stable/pdf/725498.pdf?refreqid=excelsior%3A015065c2c180a2c08d256d4550a973ae&ab_segments=&origin=)

by the Registrar.¹² An application made by an individual or entity for the purposes of getting one or more trademarks registered can be rejected on the basis of absolute¹³ and relative¹⁴ grounds under the Act.

The exception of Acquired Distinctiveness manifests in the Proviso to Section 9(1). Sub-section 1 states that:

“*The trademarks—*

(a) which are devoid of any distinctive character, that is to say, not capable of distinguishing the goods or services of one person from those of another person.

(b) which consist exclusively of marks or indications which may serve in trade to designate the kind, quality, quantity, intended purpose, values, geographical origin or the time of production of the goods or rendering of the service or other characteristics of the goods or service.

(c) which consist exclusively of marks or indications which have become customary in the current language or in the bona fide and established practices of the trade, shall not be registered.”

However, the Proviso to these clauses curates an exemption for trademarks that have obtained a distinguishable character in the eyes of the public, as a consequence of utilization or prominence. A joint reading of this Proviso with relevant provisions of the Act¹⁵ makes it evident that even if a descriptive word or generic symbol was subjected to registration in derogation of Section 9(1), it shall not be deprived of such status in the event of it having built a reputation and goodwill in among consumers, post getting registered but prior to the initiation of litigation proceedings impugning the legality of such registration.

In a nutshell, one can view the aspects of descriptiveness and distinctiveness as ‘sets’ that are mutually exclusive but tend to overlap in certain instances. This overlapping region is comprised of trademarks that are generic in character and are yet distinguishable by virtue of their use by the public, thereby assuming a ‘secondary meaning’.¹⁶ As far as the judicial stance on Acquired Distinctiveness is concerned, a brief overview of pertinent verdicts rendered by the Supreme Court of India, High Courts and the Intellectual Property Appellate Boards (IPABs) would be useful.

In a 2002 judgement,¹⁷ the Supreme Court was faced with a factual matrix that involved a suit of ‘passing off’ by the appellant against the respondents for the use of ‘Mukta Jivan’, the name of the Colour Lab and Studio operated by the former. Diverging from the decisions of the District

¹² The Trade Marks Act, 1999, s. 7.

¹³ *Id.* at s. 9.

¹⁴ *Id.* at s. 11.

¹⁵ *Id.* at s. 32.

¹⁶ Jeanne C Fromer, “Against Secondary Meaning” 98(1) *Notre Dame Law Review* 216-219 (2022), available at: https://ndlawreview.org/wp-content/uploads/2022/11/NDL104_Fromer-cropped.pdf (last visited on October 10, 2023).

¹⁷ *Laxmikant V Patel v. Chetanbhat Shah & Anr.* (2002) 3 SCC 65 [¶3-4].

and High Courts, the Supreme Court ruled in favor of the appellant and granted them an injunction against the respondents employing ‘Mukta Jivan’.¹⁸ Noting that the appellants had conducted their business under this name since 1995, the Court opined that it had acquired distinctiveness amongst the public through continuous and extensive use.¹⁹

Three years later, the Supreme Court solidified its recognition of descriptive names or generic symbols as trademark protected due to them having gained secondary meaning in the eyes of the public.²⁰ The appellants in this case had amassed a reputation for selling a variety of tea under the name ‘Super Cup’, which was allegedly usurped by the respondents to pass off their tea as that of the appellant’s in the market.²¹ Acknowledging that the term ‘Super Cup’ had fulfilled the requirement to claim the exemption under Section 9(1), the Court enjoined the respondents from branding their tea products under the label of ‘Super Cup’.²²

In a very recent case,²³ a division bench of the Delhi High Court was faced with deciding the appeal preferred by PEPS Industries against the decision of the Single Judge, who had refused to enjoin KURLON Limited from using ‘No Turn’ as a mark to sell its mattresses, by virtue of the mark being descriptive.²⁴ PEPS Industries had ‘No Turn’ registered as a trademark since 4th February, 2011, vis-à-vis mattresses, wall beds, coir mats, sofas, etc.²⁵ KURLON claimed to have utilized the same mark for mattresses since 2007 and had attempted to register it in 2018.²⁶

Since none of the parties had questioned the validity of the trade mark with regards to its descriptive character, the Court did not slice and dice this aspect.²⁷ Given that PEPS’s application for registering ‘No Turn’ had been accepted in 2011 and KURLON had not raised any objections to the same, the Court held it to be *prima facie* valid.²⁸ Therefore, the division bench set aside the Single Judge’s verdict and restrained KURLON from using the mark. This judgement is important since the Court categorically reaffirms that descriptive marks can be trade mark protected,²⁹ albeit this wasn’t a point of discussion in this case.

In another recent judgement,³⁰ the Delhi High Court was faced with the question of the validity of shape marks under Section 9(3) of the Trade Marks Act, 1999. While the Trade Marks Registry had rejected the application of the appellant for a mark vis-à-vis “*knitting needles and crochet*

¹⁸ *Id.* at [¶14,15, and 17].

¹⁹ *Id.* at [¶18].

²⁰ *Godfrey Philips India Ltd. v. Girnar Food and Beverages Pvt. Ltd.* (2004) 5 SCC 257 [¶1].

²¹ *Id.* at [¶2-3].

²² *Id.* at [¶4].

²³ *PEPS Industries Private Limited v. KURLON Ltd* 2022 SCC OnLine Del 3275.

²⁴ *Id.* at [¶7].

²⁵ *Id.* at [¶2].

²⁶ *Id.* at [¶14].

²⁷ *Id.* at [¶35].

²⁸ *Id.* at [¶37].

²⁹ *PEPS*, *Supra* note 22, at [¶39].

³⁰ *Knitpro International v. Examiner of Trade Marks through Registrar of Trade Marks* 2022 SCC OnLine Del 2096: (2022) 293 DLT 1.

hooks”, on the grounds of generosity.³¹ However, the Court ruled that if shape marks acquire secondary meaning through consistent use and act as identifiers of the source of a good or service, they can be granted trade mark protection under the Section 9(1) exemption.³² Thus, even though the Court dismissed the appeal,³³ it made this interesting observation with regards to the registrability threshold of shape marks.

In a 2008 ruling,³⁴ the IPAB, Chennai Bench, adjudged that the appellant’s trademark of ‘Zodiac’ had been in constant use for over thirty years and the public had started associating the mark with the readymade apparels, handkerchiefs and alike goods of the appellant.³⁵ The Board juxtaposed this duration of three decades with the time period of around fifteen years that the respondents had been using ‘Zodiac’ for their suiting, shirting, etc.³⁶ Given that the appellants had been using the mark for nearly double the time when compared to the respondents, the Board ruled in favor of the appellants.³⁷

It is pertinent to note that the emphasis laid by the aforementioned courts in India, on the aspect of trademarks acquiring distinctiveness in the eyes of the public, is in line with what Professor William Fisher describes as the ‘Welfare Theory’ of Intellectual Property Rights in his seminal article.³⁸ Particularly in the context of non-rivalrous, consumption goods, trademarks serve as identifiers of the source of the product, thereby diminishing the time spent by consumers in hunting the required goods.³⁹ Further, they encourage companies to ensure the delivery of premium goods or services, so as to prevent competitors from emulating their brand and chipping away at their consumer bases.⁴⁰

TRADEMARK REGIMES IN THE EU AND THE USA: THE ASPECT OF ACQUIRED DISTINCTIVENESS

I. EUROPEAN UNION:

In addition to the EU Trade Mark Directive of 2015, the national laws of the member states govern the Trade Mark Regime across the EU.⁴¹ Given the multiplicity of these directives and laws, it is more efficient to look at what the EU Courts have held with

³¹ *Id.* at [¶1].

³² *Id.* at [¶13].

³³ *Id.* at [¶14].

³⁴ *Metropolitan Trading Company v. Shri Mohanlal Agarwal* MIPR 2008 (1) 24; *See also, PK Overseas Private Limited v. KRBL Limited* 2014 (57) PTC 129.

³⁵ *Id.* at [¶2].

³⁶ *Id.* at [¶3].

³⁷ *Id.* at [¶23-30].

³⁸ Fisher, *Supra* note 7, at 2.

³⁹ *Id.*

⁴⁰ *Id.*

⁴¹ International Trademark Association, “The Trademark Reporter: Annual Review of EU Trademark Law” 111(2) *The Law Journal of the International Trademark Association* 506 (2021), available at: Annual Review of EU Trademark Law: 2020 in Review, 111 TMR 505 (2021) - DocsLib (last visited on October 10, 2023).

regards to the protection of descriptive words, generic symbols and non-traditional trade marks at large vis-à-vis the aspect of Acquired Distinctiveness.

In July 2021, the General Court of EU was faced with two appeals pertaining to the validity of non-traditional trademarks and evidentiary material presented by the parties involved to claim the exception of secondary meaning. In the first case,⁴² the appellants were attempting to register the opening and fizzing sound of their metal cans as a trade mark. This case is also relevant given that the Court had previously never entertained applications involving sounds simpliciter without a graphical component. Upholding the Board of Appeal's decision, the General Court ruled that the sound emanated by the cans was not distinctive enough to make the appellant's products stand out from other containers used to store carbonated and non-carbonated beverages.⁴³

In the second case,⁴⁴ the General Court had to decide the validity of an application requesting trade mark registration for a lipstick's overall shape. While the Court looked into the characteristics of the lipstick, it largely overlooked the plethora of evidentiary material presented by the lipstick manufacturer to demonstrate its reputation among members of the public. Ultimately, the Court observed that merely a distinct design would not satiate the threshold for registrability if it does not point to the source of the product.⁴⁵

II. *The United States of America:*

The Trademark Regime is primarily governed under the aegis of the Lanham Act, 1946. Section 43(c) of the Act sets out the Standard of 'Dilution',⁴⁶ which can be seen as a contemporary of the Proviso to Section 9(1) of the Indian Trade Marks Act, 1999. Sub-Clause (1) of Clause (c) sets out that:

“Subject to the principles of equity, the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction against another person who, at any time after the owner's mark has become famous, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.”

⁴² *Ardagh Metal Beverage Holdings GmbH & Co. KG v. EUIPO* Case T-668/19.

⁴³ *Id.*

⁴⁴ *Guerlain v. EUIPO* Case T-488/20.

⁴⁵ *Id.*

⁴⁶ *See also*, the Lanham Act, 1946, s. 43(c)(2)(B).

Up until 2006, the aforementioned standard regulated Dilution or Acquired Distinctiveness vis-à-vis Trade Mark Protection. Thereafter, the Trade Mark Dilution (Revision) Act was passed, in essence further diluting the prevalent Dilution standard. This Act substituted actual dilution with the potentiality of dilution. Dilution is a concept similar to that of deceptive similarity under Section 9 of the Indian Trade Marks Act, 1999 and was first fleshed out through a six-pronged test in the cases of *Mead*⁴⁷ and *Nabisco*.⁴⁸

However, given that this paper primarily aims to chart out Acquiring Distinctiveness as under the Indian Trade Mark Regime, I will contextualize the discussion to specific observations of US courts of law accordingly.

In a 2014 case,⁴⁹ the Trade Mark Trial and Appeal Board (TTAB) under the US Patent Office commented on the kind of evidence required to demonstrate the constant and extensive usage of a generic mark and thus get it protected under ‘secondary meaning’ would comprise media coverage and materials from external, neutral sources. Declarations by the executives of a company looking to apply for trademark registration and even statements by its clientele would not suffice.⁵⁰ With regards to the duration of constant usage, US Courts⁵¹ have taken similar approaches to those of the IPABs in India, and have ruled that a mere period of five to six years will not meet the registrability threshold under the Lanham Act.⁵²

From the above analysis, it wouldn’t be incorrect to categorize the stance taken by EU Courts as being in conformity with the ‘Personality Theory’,⁵³ while that of the US Courts as being in concomitance with the ‘Fairness Theory’⁵⁴ of Intellectual Property Rights. EU Courts, particularly with regards to non-conventional, generic trademarks, have laid great emphasis on the requirement of source identification as a requisite of registrability, which can be linked to the ‘personhood’ of an individual or even a legal entity like a company.

The US Courts on the contrary have factored in considerations of fair compensation to the creators of goods and services, which is why they facilitate the limited monopolization of these goods and services by their creators. The standard of Dilution in particular looks at the labour put in by the applicant, especially in terms

⁴⁷ *Mead Data Central Inc v. Toyota Motor Sales USA Inc.* 875 F.2d 1026, 1035 (2nd Cir. 1989).

⁴⁸ *Nabisco Inc. v. PF Brands Inc.* 191, F.3d 208, 214, 227-28 (2nd Cir. 1999).

⁴⁹ *In Re Active Video Networks Inc.* No. 77967395 (T.T.A.B., 2014).

⁵⁰ *Id.*

⁵¹ *Lovely Skin Inc. v. Ishtar Skin Care Prods. LLC* 745 F.3d 877 (8th Cir. 2014).

⁵² The Lanham Act 1946, s. 2(f).

⁵³ Fisher, *Supra* note 7, at 3.

⁵⁴ *Id.* at 2.

of the period of usage of the mark.

COSTS INCURRED IN GRANTING THE SECTION 9(1) EXEMPTION TO GENERIC MARKS

The very purpose of having trademarks, as also flagged in the introduction to this paper, was to aid the identification of products and services by consumers and simplify their purchases. However, with the standards of acquired distinctiveness and dilution being affirmed by Courts across the globe, the pitfalls of causing ambiguity⁵⁵ among the consumers have increased substantially.

When courts permit companies to claim the exemption of Acquired Distinctiveness, despite having sold their goods and services under a particular mark for years altogether without registration, they essentially legitimize the lack of prudence displayed by companies with regard to their legal duties under Trademark statutes. Members of the common public could have consumed the goods or services of a company or its rivals for decades or more, placing reliance upon a mark, which in itself was never verified by legal authorities. In the event of them falling sick owing to the consumption of a product under this mark, they might not even know which entity they need to proceed against before a court of law. This is because most consumers generally rely upon marks on items and services and not the detailed information that accompanies them, to identify the brand.⁵⁶ The costs of companies having not obtained legal legitimacy over their marks are thus borne by the common masses.

The threshold of constant usage vis-à-vis Acquired Distinctiveness is also problematic, since it doesn't account for consumer manipulation through advertisements and celebrity sponsorships. More often than not, people are tricked into engaging in mindless consumerism through the plastering of brand marks via extensive publicity campaigns across social media platforms and other arenas of public engagement. Such consumerism and mark association should ideally not be counted as extensive usage of a mark to satiate the registrability threshold.

CONCLUSION

Through the course of this paper, the author has attempted to chart out the contours of the Trademark Regime in India, the European Union and the United States of America. This has been done with particular reference to the Exemption of Acquired Distinctiveness, which also falls within the broader framework of the Dilution Standard in the USA.

Simultaneously, the author has flagged the similarities between the generally amicable stances of

⁵⁵ Lukose, *Supra* note 8, at 96.

⁵⁶ Lukose, *Supra* note 8, at 96.

the courts of law across the three jurisdictions towards allowing generic marks with secondary meaning to receive trademark protection. In the last section, the author also flagged the pitfalls of accepting the Acquired Distinctiveness standard without paying due heed to consumer welfare and the role played by vehement advertising in brainwashing the public to engage in extensive purchase of the goods and services of companies, regardless of their own opinions or the quality of the goods and services being offered.
