



EMERGING FRONTIERS IN TRADEMARKS: POSITION MARKS IN INDIA & ABROAD

Priyanandan kumar¹

ABSTRACT

In today's fiercely competitive market, businesses find themselves compelled to invest substantial resources, both in terms of finances and efforts, to nurture their reputation and brand identity. They dedicate significant time and energy to set their products and services apart from those of their rivals, aiming to make them truly distinctive. Modern consumers make choices based on factors like the look, smell, color, sound, and more associated with goods and services. In this context, these sensory elements are crucial for product recognition in our society.

With this heightened focus on product recognition, the risks of trademark infringement, passing off, and misleading practices increase substantially. Such infringements can severely damage a company's reputation. This is where unconventional trademarks become relevant. However, it's important to note that unconventional trademarks are still a relatively new concept in India, and there's limited legal precedent in this area. Moreover, trademark laws vary from one jurisdiction to another, despite international agreements like the TRIPS agreement. Not all forms of unconventional trademarks have gained full legal recognition, both in India and worldwide. The article provides insights into the statutory validity and protection of position marks in India, citing notable case laws. The article calls for harmonizing international policies to accommodate sensory trademarks like smell, taste, and touch to foster innovation and provide global brands a level playing field in diverse jurisdictions.

Keywords: Trademark, Position Mark, WIPO, Trademark Registration

INTRODUCTION

In the intricate and highly competitive world of commerce, trademarks are vanguards of a company's identity. They serve as the *unique insignia* through which businesses distinguish their products and

¹ 4th year, BA LLB (Hons.) NMIMS Kirit P Mehta School of Law, Mumbai

services from the rest, carrying brand recognition and a promise of quality and trust. Traditionally, trademarks have been anchored in words and logos, often taking the form of easily recognizable symbols. However, as the global marketplace evolves, so does the canvas on which trademarks are painted.

The concept of trademarks has transcended the realm of mere logos and brand names, venturing into unconventional and innovative territories. Position markings are one such out-of-the-ordinary domain that has gained popularity. This innovative trademark redefines the boundaries of intellectual property law and gives companies additional options to safeguard their distinctive qualities.

This article explores this changing environment while illuminating position markers and the legal systems that control them. The European Union has adopted the idea of position marks, which are examined in this study along with their definitions, representations, and registration processes. Additionally, it explores the protection of position marks and their legal validity via the prism of the Indian legal system, which is supported by significant case law. Position marks are just the beginning of our exploration of the boundaries of trademark law. We pivot to explore shape marks, diving into their recognition and the criteria for their registration in India. Drawing from legal precedents and insights from various case laws, we aim to paint a comprehensive picture of the evolving trademark ecosystem.

Our journey does not merely seek to define these unconventional trademarks but also serves as a call to action. The article concludes by recommending the harmonization of international policies to welcome sensory trademarks, including smell, taste, and touch. By aligning global trademark regulations and accommodating these non-conventional marks, we strive to foster innovation and ensure a level playing field for international brands in diverse jurisdictions.

DEFINING POSITION MARKS

Article 3 of the European Union Trademark Reform (EUTMR) 2017² defines a position mark as “a trademark consisting of the specific way in which the trademark is placed on or affixed to the product.” It also lays down specific rules and requirements for the representation of position marks to increase legal certainty for users and reduce the objections rate for formalities’ objections. It lays that ‘a representation which appropriately identifies the position of the mark and its size or proportion with respect to the relevant goods.’ Elements that do not form part of the subject matter of the registration ‘shall be visually disclaimed

² EUIPO, EU Trade Mark Reform, (2017).

preferably by broken or dotted lines.’

A position mark is a trademark that encompasses the specific placement or affixing of the mark on a product. The European Union recognizes position marks as one of the new types of marks, alongside three-dimensional marks, hologram marks, motion marks, color marks, and marks consisting of non-visible signs according to the World Intellectual Property Organization (WIPO).³

When applying for the registration of a position mark, a graphical representation becomes crucial. This representation must accurately identify the position of the mark, along with its size or proportion concerning the relevant goods. Elements not central to the registration should be visually disclaimed, often delineated by broken or dotted lines. In cases where the graphic representation falls short, a written description elucidating the mark's position may be required. Position trademarks are "signs, represented graphically, placed on a specific part of a product in a constant size or particular proportion to the product," according to the World Intellectual Property Organization (WIPO). The mark itself and the location of the mark on a product are the two components of a position trademark. WIPO defines a position mark as a "constant element of an identical size placed on a product in a fixed position," to put it another way. A description describing this location is the primary need because the application for registration of such a Trademark is based primarily on the placement or "position" of the mark. It is important to note that if the description states that the position of the mark on a product is changing, position markings would probably not be registrable.

In India, a trademark must meet two key criteria to be considered for registration under Section 2(1) (zb) of the Trademarks Act, 1999:⁴ it must be distinctive and capable of graphical representation. Distinctiveness implies the mark's capacity to differentiate the goods or services of one entity from its competitors. While conventional marks can be graphically represented easily, unconventional marks, including position marks, often present a unique challenge due to their non-standard nature.

Unconventional marks typically cannot be expressed graphically, which causes them to deviate from conventional marks, which is understood. Nevertheless, by applying broader interpretations of the term through court pronouncement, marks that are incapable of matching with these features are obtained. Position markers are sometimes seen by national systems as a subset of other marks, such as figurative or three-dimensional marks.

³ Singapore Treaty on the Law of Trademarks, Rule 3, para 8, (2011).

⁴ Indian Trademark Act, 1999, S. 2(1) zb.



Adidas launched a legal challenge against BVBA,⁵ a German shoe manufacturer, arguing that BVBA's trademark application for a '2 stripe design' on footwear (image 1) was excessively similar to Adidas' well-known '3 stripe design' (image 2), which had been previously registered. The dispute revolved around visual distinctions in the stripes' inclination and spacing. Initially, OHIM's opposition panel ruled in favor of BVBA, differentiating the two marks based on these factors

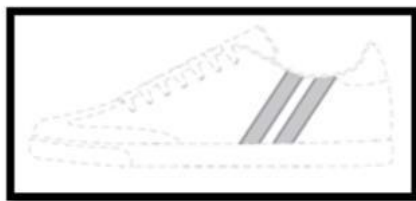


IMAGE - 1

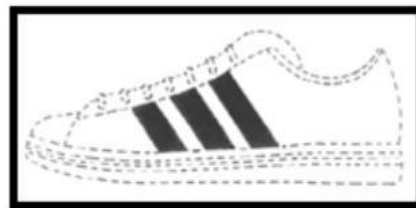


IMAGE - 2

However, Adidas was not satisfied with this decision and appealed to the EU General Court. The EU General Court opined that Adidas' '3 stripe design' had indeed acquired distinctiveness through extensive use, and BVBA's '2 stripe design' would likely harm Adidas' reputation. BVBA, undeterred by previous rulings, continued their legal battle, this time appealing to the Court of Justice of the European Union. Unfortunately for BVBA, their efforts were in vain, as the Court upheld the previous decision. In a surprising turn of events, BVBA launched an independent suit against Adidas before the European Union Intellectual Property Office (EUIPO), challenging the registrability of Adidas' '3 stripe mark.' BVBA argued that this mark lacked distinctiveness and the characteristics of a source identifier. In an unexpected twist, BVBA emerged victorious, and Adidas' '3 stripe mark' was reclassified as an 'ordinary figurative mark,' leading to the cancellation of its registration in 2019.

REQUIREMENTS FOR REGISTRATION OF A POSITION TRADEMARK

⁵ Shoe Branding Europe BVBA v. Adidas AG, Case C-396/15 P, 7 February 2016, CJEU.

To successfully register a position trademark, certain requirements must be met. The position trademark must be capable of graphical representation, making a clear and detailed description of its placement on a specific product essential for the trademark registration application. When applying for trademark registration, it is imperative to provide drawings that specify the product and indicate the precise placement of the positional mark. Given that the same position trademark may be used on multiple similar products, including both a graphical representation of the mark's position and additional information explaining the connection between a particular product and the positional mark is crucial. It is important to note that the entire depicted form or the mark alone cannot be individually protected as a trademark; the protection is specifically granted to the mark when placed in the distinct position on the product.

The distinguishing feature of such a mark lies precisely in the unique positioning of the mark on the product. While resembling three-dimensional marks to some extent, positional marks differ in that they do not pertain to the appearance of a particular product itself.

When determining the registrability of a positional mark as a trademark, several key aspects should be considered:

1. **Position:** The specific placement of the mark can serve as an indicator of origin only when it deviates from the norm within a particular market. It is essential to assess whether consumers expect to see the mark regularly displayed in that specific position on the product.
2. **Mark:** If the mark is perceived solely as a decorative element without indicating the product's origin, it may lack the distinctive feature required for trademark protection.

The Working Group of the World Intellectual Property Organization (WIPO) emphasized that the visual representation of a positional mark must be clearly presented. Additionally, any elements of the object for which protection is not sought should be illustrated with dashed or dotted lines. If the graphical representation is deemed unclear, the registration authority may request a written statement to elucidate the mark's position concerning the product.

WIPO specifically defines a position mark as a constant element of identical size positioned on the product in a fixed location. This composition and placement constitute the distinctive feature of a positional trademark, even though the position itself cannot be registered as a trademark.

In conclusion, the successful registration of a position trademark hinges on graphical representation, unique positioning, and the mark's ability to indicate the origin of the product, thereby ensuring its distinctive character in the eyes of consumers.

HOW TO DESCRIBE A POSITION TRADEMARK IN AN APPLICATION?

Any form of mark that is being considered for registration must have a graphical representation. This need, however, becomes crucial in the case of a position mark. This is so that both the public and the appropriate authorities may understand not only what is protected but also for what position is relative to the good or commodity.

The position markings must also be correctly identified in relation to the pertinent items, according to the EU Manual. The mark's position in relation to the relevant items, as well as its size or proportion, should be clearly defined in the portrayal. Visual disclaimers, such as broken or dotted lines, are required to identify the elements that do not contribute to the registration's subject matter. To describe how the mark is attached to the items, in keeping with the mark's portrayal, may be included.⁶

Japan TM Manual- For a position trademark, the applicant may specify the mark and its position, which together make up the trademark, using lines, dots, etc. In this instance, the applicant is expected to explain, in the section "Detailed explanation of the trademark," how those lines, dots, etc. characterize the mark and its position.⁷

Indian TM Manual- For registration, a trade mark must be able to be represented visually. In practice, the Registrar will insist that the application's use of the trade mark must be accompanied with a pictorial depiction.⁸

The size of the representation of the trademark should, where practicable, be no larger than 8cm X 8CM.⁹

STATUTORY VALIDITY OF POSITIONAL MARK IN INDIA & CASE LAWS –

1. *Adidas AG v. Praveen Kumar*¹⁰- The defendant in this case was using the "three stripes" logo, which was a trademark of the Adidas Corporation and was used on its apparel and footwear, so the plaintiff was given relief by the court. The complainant established that the phrase "three stripes" has been utilized as a position mark and is protected by numerous national-state laws.
2. *Colloseum Holding AG v. Levi Strauss & Co*¹¹- It is a location mark that consists of a rectangular red textile label in the top left-hand corner of the back pocket of pants,

⁶ EU, Trademark Guidelines, 9.3.4 Position Marks, <https://guidelines.euipo.europa.eu/1803468/1788824/trade-mark-guidelines/9-4-9-3-4-position-marks>.

⁷ Form 2, Note 7, 'Ne' of the Ordinance for Enforcement of the Trademark Act, <https://www.jpo.go.jp/e/system/laws/rule/guideline/trademark/document/syouhyoubin/56-01.pdf>.

⁸ India, Manual of Trade Marks Practice & Procedure, 4.3 Requirement of graphical representation. https://ipindia.gov.in/writereaddata/Portal/IPOGuidelinesManuals/1_32_1_tmr-draft-manual.pdf.

⁹ Indian Trademark Act 1999, Rule 28, Section 15(3), Rule 25(10).

¹⁰ 2019 SCC OnLine Del 8603.

¹¹ [2013] Bus LR 768.

shorts or skirts that is sewed into and protrudes from the seam.

PROTECTION OF POSITION TRADEMARK IN CASE OF CONFLICT- LEGAL CONTEXT

When it comes to safeguarding the rights associated with position trademarks in cases of conflict, international and regional legal frameworks play a crucial role. These frameworks provide guidelines, rules, and regulations to protect the interests of trademark owners. In the context of position trademarks, which refer to distinctive marks based on the specific placement of a mark on a product, several international, European Union, and national laws come into play.

I. PARIS CONVENTION FOR THE PROTECTION OF INDUSTRIAL PROPERTY

The Paris Convention, adopted in 1883 and subsequently revised, sets out significant principles regarding the protection of trademarks. The Convention's Article 5C handles the cancellation of registered marks when their use is made required in a certain nation. It states that such cancellation is only permitted if the holder fails to give a valid explanation for their actions after a sufficient amount of time has passed.¹²

Additionally, as long as the modifications don't undermine the distinctiveness of the initial registration, the Convention permits the use of a trademark in a modified form. This clause guarantees that slight alterations in presentation will not render the mark's protection void.

II. EUROPEAN UNION LAW

Within the European Union, Regulation No 40/94 governs Community trademarks. Article 7 of this Regulation outlines absolute grounds for refusal, which include trademarks devoid of distinctive character or those exclusively made up of common signs or indications.¹³

However, Article 7(3) of the Regulation provides an exception. It states that if a trademark has gained distinctiveness through its usage in connection with the

¹² United Nations Treaties Series, No 11851, vol 828, p 305.

¹³ Council Regulation (EC) No 207/2009, Recital 10.

relevant goods or services, it may still be registered.¹⁴

Additionally, Article 9 of Regulation No 40/94 grants exclusive rights to the proprietor of a community trademark. This includes the authority to prevent third parties from using similar signs in a way that may cause confusion among the public.

Article 15 of Regulation No 40/94 stipulates that a Community trademark must be genuinely used within five years of registration. Failure to do so may result in sanctions unless valid reasons for non-use are provided.

Moreover, Article 15(2) extends the definition of use to cover variations in the presentation of the trademark as long as the alterations do not affect its distinctive character.¹⁵

III. GERMAN TRADEMARK LAW

Section 14(2)(2) of Germany's Law¹⁶ on the Protection of Trade Marks and Other Signs is a direct copy of Section 9(1)(b) of Regulation No. 40/94. The use of any sign that can be mistaken for a trademark is forbidden, giving trademark owners the authority to do so.

Additionally, Section 14(5) of German law enables trademark owners to file injunctive actions against anyone using a sign infringing on their rights to the mark, particularly when there is a chance that the violation may occur again.

The foundation of the legal system controlling the protection of position trademarks in conflict situations is made up of these legal requirements. In cases of infringement or suspected violation, they offer the necessary instructions for trademark owners to assert their rights and seek remedy.

LEGAL RECOGNITION AND CHALLENGES IN INDIA

The Indian judicial system's acceptance of position markings is a complicated and changing matter. While position marks and other unorthodox trademarks are becoming more popular throughout the world, India's legal system has lagged behind these advancements. For companies and brand owners looking to maintain their distinctive product qualities and visual identities, this difference presents a number of difficulties

I. A STRICT LEGAL FRAMEWORK:

The narrow statutory framework is the main issue with position marks in India.

¹⁴ Ibid, Art. 7.

¹⁵ Council Regulation (EC) No 207/2009, Art. 15.

¹⁶ Act on the Protection of Trade Marks and Other Signs of 25 October 1994, Part I p. 3082
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Traditional trademarks including words, logos, and slogans are the main emphasis of the Trademarks Act of 1999. Position markings do not cleanly fit into this framework since they highlight the location or placement of a distinctive piece within a product. Because of this, firms frequently run into opposition when trying to register position marks.

Because of this, firms frequently run into opposition when trying to register position marks. It is possible for the Registrar of Trademarks to claim that certain marks are not trademarks in the traditional sense and cannot be registered. For brand owners, this restricted statutory recognition presents a big obstacle.

II. EVIDENCE OF UNIQUENESS:

Distinctiveness is one of the basic prerequisites for trademark registration. A mark needs to be distinctive in order to set one entity's products or services apart from competitors' offerings. In this sense, position markings pose a special challenge.

It can be difficult to prove that a position mark is distinctive because it requires proving that a product's unique location of a visual feature renders it instantly recognizable and non-functional. In this situation, the onus of proof may be heavy because the location mark may need to function independently of other branding components as a source identifier.

III. NON-FUNCTIONALITY:

Determining a position mark's non-functionality is a significant challenge. By definition, trademarks cannot be used for practical reasons. They are used to set goods and services apart in the marketplace. In the case of position marks, brand owners must demonstrate that the precise placement of a product feature serves a trademark-related purpose alone and is not functional or utilitarian.

This distinction can cause issues throughout the registration procedure because convincing authorities that the position mark is actually non-functional requires thorough legal justifications and supporting documentation.

IV. LACK OF LEGAL PRECEDENTS:

The difficulties experienced by enterprises are made worse by the lack of clear legal precedents in India regarding position marks. Brand owners are in a condition of uncertainty since the legal doctrine around unusual trademarks has not yet fully established.

Brand owners and their legal counsel frequently tread unfamiliar waters because there isn't a body of established case law or precedents. Due to the difficulty of interpreting the law in the context of position marks, both applicants and authorities may engage in drawn-out registration procedures and legal challenges as a result.

V. INCONSISTENT METHODOLOGY:

An inconsistent approach to trademark registration has also been caused by a lack of statutory direction and legal precedents. Position marks may be handled differently depending on how various trademark examiners read the law.

For brand owners, this constancy can lead to uncertainty and unpredictability. The registration process is not universal or clear because what one examiner may accept as a position mark may be rejected by another.

CONCLUSION & RECOMMENDATIONS

In Conclusion, The Legal Acceptance, And Difficulties Posed By, Non-Conventional Trademarks In India, such as position marks, represent the changing landscape of intellectual property rights. The Indian legal system has come a long way in recognizing non-conventional trademarks, giving businesses the chance to safeguard their distinctive brand identities. The legal rulings have established significant precedents in recognizing the distinctiveness of unconventional trademarks, particularly in cases like the Christian Louboutin affair.

As they engage several senses for a long-lasting customer impact, sensory trademarks, which go beyond conventional visual and audio aspects, are becoming more and more prominent in branding. Companies utilize smell, taste, and touch-based trademarks to establish distinctive brand associations, but this presents difficulties because there is no unified international framework.

Due to subjective sensory perceptions, a lack of global standardization, and the requirement for consumer association proof, it is essential to harmonize sensory trademark policies. The call for global harmonization includes standardized consumer research, global registration systems, defensive protection mechanisms, and expert panels. A equal playing field for enterprises operating in many jurisdictions is ensured by this harmonization, which also reinforces brand identification and encourages innovation.

However, it is essential to handle the difficulties brought on by this new area of trademark law. Concerns that need to be addressed include the lack of particular legislation designed to address

atypical marks, the requirement for rigorous evidence to demonstrate distinctiveness, and the absence of a thorough review process. In addition, it is crucial to establish a precise and uniform procedure for the registration and defense of position marks in order to offer examiners and brand owners with clear legal guidance. Several suggestions for trademarks in India include:

- a. Legislative Clarity: The Indian government should take into consideration passing particular legislation or amending the current trademark rules to establish a framework that is clear for the registration and protection of atypical trademarks, including position marks. This would simplify the application process and lessen ambiguity.
- b. Standardized Examination Criteria: Create standard examination standards to evaluate the distinctness of position marks. This can be done by providing trademark examiners with guidelines or guides that will ensure consistent examination.
- c. Education and Awareness: To help trademark examiners and legal professionals better comprehend non-traditional trademarks, hold training sessions and awareness campaigns. This will help distinguishability ratings to be more precise.
- d. International Cooperation: Work with other nations and international intellectual property organizations to standardize procedures for trademarks that aren't customary. Adopting best practices and conforming to global standards may be necessary for this.
- e. Case Law Development: Continue to hear and decide cases involving these distinctive types of marking in order to develop a body of case law surrounding atypical trademarks. The Christian Louboutin case establishes a sound precedent, and more cases may help create a framework with broader legal protections.
- f. Public Awareness: Inform companies about the importance and legal protection of distinctive trademarks. Encourage businesses to consider registering these marks in order to protect their distinctive brand identity.

India may improve its trademark system by putting these suggestions into practice and removing the legal obstacles, providing a more favorable setting for companies to properly protect their distinctive marking components. In turn, this can encourage economic expansion and innovation while preserving free market competition.
