

An Overview of Concept of Trademark in Nepal

Mr. Satya Narayan Pakka
Advocate, IP attorney
B.L., LLM

Origin of Trademark and Historical Development in Nepal

In Nepalese historical development of trademark, at the ancient period, there was a profession to make pots and other essential tools by mud. They are using one type of sign, date or name etc. It seems that they wanted to indicate such creation belongs to particular person even those are not protected by state. So all the people are free to put sign, date, name on their creation and peoples can knowing that particular thing is belongs to someone. Even we can be found that types of pots are in our village. But the state doesn't introduce the laws related with trademark as well as IP. So, individually peoples are wanted to show their products distinguish with others.

In this way, Nepalese society has unknowingly developed the forms of IP and when Juddha Shamsher has established Nepal Industrial Board along with other commercial factories and related laws to fulfill the development. Then he has introduced the law which is related with IP named Nepal Patent Design and Trademark Act 1993 BS.

Meaning of Trademark

The document/ evidence granted to particular person who has made by particular matter or belongs to him is called trademark.¹

Whenever the entire world gone through evolution of industrialization. Automatically Nepal has getting the chance to promote the business of export and import. So it is necessary to make timely legal arrangements in respect to patent, design and trademark for the convenience and economic benefit of the general public, Nepal enacted the new law named Patent Design & Trademark Act 2022.

According to this new Act, trademark means words, symbols, or pictures or a combination thereof to be used by any firm, company or individual in its products or services to distinguish them the produces or services or others.²

“A trademark is any word, name, symbol or device or any combination thereof, adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others.”³

Those definitions have mentioned the elements of trademark, which are as below.

1. Any words, symbols or picture or a combination thereof

2. It should be distinctiveness characteristic

In its broadest sense, the trademark includes a service mark, so it didn't define for service mark as differently though trademark is used in the marketing of a product and service mark is typically identifies services. A trademark or service mark identifies and distinguishes the products or services of one person from those of another. Trademark is the medium for identification of such product, source and quality & its function is to obtain goodwill & provide information of such product or service in the market to consumer.

There is not any part of accurate definition in IP TRIPS although it states that "Such signs, in particular words including personal names, letters, numerals, figurative elements and combinations of colors as well as any combination of such signs, shall be eligible for registration as trademarks."⁴ This shows that trademark can be form of personal names in letters, numerical forms, figurative forms as well as combination of colors and signs.

The law of trademark is based mainly on two concepts: distinctiveness & deceptive similarity.

Trademark must be a mark which includes a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colors or any combination thereof.⁵

Types of mark

Trademark:

Trade & mark itself have a definition of trademark. Trade is related with products, manufactures of various kinds of goods, and the mark is the sign, word, symbol, pictures & combination thereof. So trademark has representation of the particular goods & products to the consumer in the market. It guides the quality, sources etc of such goods and products. It provides the identification or information of such goods to consumer in the market.

Trademark may consist of single letter or numeral, usually presented in some fanciful or original manner. At the other extreme, a whole sentence or slogan may be used as a trademark. Many trademarks consist of pictorial devices without any words at all. Trademarks consist of a combination of words and devices, perhaps on a label attached to goods.⁶

After the recognition of trademark, it has started to collect or carry the goodwill of such products. So trademark has provided to consumer the imagination of such goods, products and its sources of manufacture, quality.

Hence trademark shouldn't be descriptive or laudatory words like good, best, perfect, excellent names of places of industrial or commercial importance potentially suitable for manufacture of the goods, surnames, certain numerals and letters and so on are unsuitable for trademarks.⁷ So coin word is applicable for trademark which is emanating from independently created for instance ABC, KODAK, which has no meaning.

For the protection of trademark, all the products and goods are divided in class 1 to 34. There is another sub classification within every class for the registration purpose.

Service mark:

Patent design and trademark act 2022 has not defined separately for service mark. It has defined service mark as trademark. So in broadest sense, service mark is includes within trademark.

A service mark is one which distinguishes the service rendered by one person from those of others. Service means service of any description which includes services in connection with business of any industrial or commercial matters such as banking, communication, education, financing, insurance, chit funds, real estate, transport and so on.⁸

So service mark identifies & distinguishes services of one person, company, firm from those of another. For the protection of service mark, all the services are divided in class 35 to 45. There is another sub classification within every class for the registration purpose.

Collective mark:

Collective means to gathering so collective mark is one used by a collective membership of organization, society, enterprises etc. it may be owned by an association which itself doesn't use the collective mark but whose members may use the collective mark. Hence the function of collective mark is to inform the public about certain particular features of the product for which the collective mark is used. So it may not be wrong, that collective mark is a trademark for such organization, society, enterprises although it is collective mark for the members.

For the instance of USA, "Future farmers of America" mark indicates membership in a certain organization, society, enterprises as well as in Nepal "Soaltee" (Group trademark) is the instance of collective mark.⁹

The Paris Convention contains provisions on collective marks in the Article 7 bis. Those provisions, in particular, ensure that collective marks are to be admitted for registration and protection in countries other than the country where the association owing the collective mark has been established. On the other hand, the convention expressly states the right of each member state to apply its own conditions of protection and to refuse protection if the collective mark is contrary to the public interest.¹⁰

So collective mark is related with members of organization enterprises & collective marks can be divided into two categories.

1. Collective membership marks
2. Collective trademarks & service marks

Certification mark:

The word 'certificate' itself has clear meaning is that this mark is related with certificate & which certificate may be for quality, composition from particular material, accuracy etc.

So 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.¹¹

A certification mark may be used by anybody who complies with the defined standards. An important requirement for the registration of a certification mark is that the entity which applies for registration is 'competent to certify' the products concerned.

The definition of certification mark is not the same in all countries. In USA, a certification mark may not be used by anybody who complies with the defined standards, but only by enterprises which has been authorized by the owner of the certification mark to use that mark.¹²

The function of certification mark is not to indicate trade origin as an ordinary trademark but to indicate that the goods bearing the mark have been certified by the proprietor of the mark.

New Types of Mark:

The above types of marks which are called traditional trademark are very familiar to the majority of consumers. However, there are many other less familiar types of trademarks, which

may be described as nontraditional trademarks. The new concepts of trademarks are emerging in the world like sound mark, smell mark, color mark etc.

Non traditional trademarks may have a very different appearance than the traditional trademarks. There is no doubt about the fixation, graphic presentation, distinctiveness etc. in traditional trademarks. The absences of physical affixation due to the intangible nature of marks are not incompatible with trademark protection.

But as indicated by the practice in some countries, graphically representation can be addressed by use of audio tapes as well as written definitions of the non traditional trademark. For instance, if we are buying the Nokia set, definitely we can get the rings within it, which are registered sound mark. It means sound mark can be affixation with product and such sound mark (rings) indicates the origin, quality & sources. Whenever it is advertising, the consumers/ customers can easily identify and able to distinguish with other rings. In this way, non traditional mark also can be affixation with product, it is able to identification of source, quality and origin and the main principle of trademark is able to differentiate with other product or service.

Although the graphical representations of non traditional trademark are related with technology means it will be difficult to keep graphical representation so it may be in the form of musical notation, chemical formula etc. Even it can be used successfully in association with goods or services and in particular the principles of connection & affixation, distinctiveness including functionality & consistency in use.

Sound mark:

Sound marks have been in practical use since the first drum signal was sent from village to village. The U.S. Patent and Trademark Office began registering unconventional sound marks more than 50 years ago. In 1950, the National Broadcasting Company obtained U.S. Reg. No. 0523616, a sound mark, for radio broadcast services.¹³

Sounds (including musical compositions) are protectable as marks provided they are capable of distinguishing the goods or services of one party from those of other parties.¹⁴ In this multi-media age, sound marks can be very powerful indicators of origin particularly in TV and radio advertising campaigns. In several countries, recent trademark amendments expressly include sound in the definition of trademark. These include the United of Kingdom, Germany, Italy, New Zealand and Australia. The practice in many countries has shown that the absence of

physical affixation due to the intangible nature of sound marks is not incompatible with trademark protection and can be accommodated, provided the sound is used so as to become connected with the goods and remains consistent.¹⁵ The sound of lion roaring could be registered as a sound mark.¹⁶ MGM Corporation has registered the sound in the US with the description “the mark comprises a lion roaring.” (US No. 73553567) (CTM 143891).¹⁷

New technology is providing increased opportunities for trademark owners to use sound marks. Cell phones are powered on and off with vibration, logos, and sounds to provide consumers with the brand name, service provider and equipment model.¹⁸ Although registration of sound mark is not available globally.

Smell mark:

Smell mark is also called scent or olfactory mark. In terms of the registration of trademarks, this type of mark is one of the most difficult to represent graphically. Many smells are associated, however, with a particular manufacturer. In some cases, such as perfume houses, the particular scent is also the product itself. In other cases, it is a scent applied or added to the product, not the natural smell of the product itself. The smell of perfume for perfume was refused registration in Sweden and Denmark because the smell would not be recognized as a trademark- it was not considered distinctive for the applied for goods.

“The smell of bitter ale for plights for darts” and “the smell of roses for tires” are registered smell mark in UK but the smell of cinnamon for furniture polish was refused because the smell was not considered clear and precise enough; the public wouldn’t have a clear impression of the smell from the word cinnamon.¹⁹ It will be very difficult to register smells as trademarks because the requirements of graphic representation may be difficult, it is not sufficiently clear, precise and objective. It cannot be description by written words or by the deposit of smell sample or by combination of those elements.

If so, Trademark Registration Treaty didn’t apply for sound mark and olfactory (smell) mark.²⁰

Color mark:

The color is the trademark. Many countries have a restrictive practice due to the fact that there is only a limited number of a color in the world. Giving someone an exclusive right to a color might cause problems for competitors in their way of marketing their goods/services.²¹ So mere color may not be registrability for trademark as well as the mere color itself is descriptive.

There is not clear provision about color mark in the Madrid agreement, Trademark Registration Treaty, Paris Convention though in IP TRIPs, within the protectable subject matter, color combination can be done register.²²

The UK and EU have several registrations for colors, the Cadbury's purple for chocolate, BP's green for vehicle service stations and Orange's registration for the color orange for telecommunication services.²³

CONCLUSION

Patent Design and Trademark Act 2022 of Nepal have provision of trademark including service mark which is not adequate and sufficient with international norms & practices. The international community has developed other kinds of mark within the trademark which is not stated in Nepalese Trademark Law.

Even Nepal is a party to several international treaties, conventions and organizations which are pertinent with intellectual property law so according to Nepal Treaty Act 2047, we should have to follow treaties as such law. Recently, to make the compliance the law with international convention, at least Nepal has made amendment in the Patent Design and Trademark Act 2022. The new amendment has incorporated the provision of licensing of Patent, Design and Trademark rights and the provision of priority claim application of the same. Though such amendment can't cover other aspects of IPR i.e. essential elements of patent design and trademark, provisions of initial and substantive examination, provisions of opposition, revocation, cancellation process of patent design and trademark etc. in order to make the transparent for the stakeholders of IP.

In practice, the trademark registry office of Nepal Department of Industries has been started to registration the collective mark as already mentioned about "Soaltee" (Group trademark) though there is not any clear existing laws & it may be based on international practices, treaties and conventions but our governmental bodies hasn't strictly follows the provision of treaties and conventions even the Nepalese Treaty Act has clearly stated that all the treaties shall be implemented as such law, if the law is silent in the respective area. So it is extreme necessary to make a complete law in order to make the compliance with international standard as well as fulfill the necessity of the nation and stakeholders of IP.

Regarding the certification mark, there is not any provision of such mark in existing trademark law even in practice we can see that certain number of certification marks for instance ISO, NS etc. which is being used as certification mark.

In this way, the existing Patent Design and Trademark Law has not any provision of the collective mark, certification mark even these types of mark has been registered and using in Nepal practically. Similarly, other types of trademark like sound mark smell mark & color mark which are emerging now and practicing in international community. So Nepal should have to do more improvement in trademark as well as intellectual property law. The impact of development of industrialization and globalization, nowadays it is realized that every law should have compatible with international norms & character, it should not be beyond of international norms and practices.

It can be recommend to policy makers, administrators, officials is that in trademark prospects, should have to make more clear provision about trademark, service mark, collective mark, certification mark as well as sound mark, smell mark, color mark. It will be better to include its basic elements, provisions of initial and substantive examination, provisions of opposition, revocation, cancellation process of patent design and trademark etc along with right and duty of IP right holder.

Thank you

¹ Nepal Patent Design and Trademark Act 1993 (2021). *Nepal Ain Sangrah Part II*; P.- 731

फलाना माल फलानाले बनाएको वा फलानाको माल हो भनि थाहा गराउनलाई लगाएको निस्सालाई ट्रेडमार्क भन्दछन् ।

² Patent Design and Trademark Act 2022 (2052). *Nepal Ain Sangrah Part 5(B)*; HMG Ministry of Law and Justice,

P.- 104 ट्रेडमार्क भन्नाले कुनै फर्म, कम्पनी वा व्यक्तिले आफ्नो उत्पादिन मालसामान वा आफुले प्रदान गर्ने सेवालार्ई अरुको मालसामान वा सेवाबाट फरक देखाउन प्रयोग गरिने शब्द, चिन्ह वा चित्र वा शब्द, चिन्ह र चित्र तिनै कुराको संयोग सम्भन्नुपर्छ ।

³ Anthony D' Amato and Doris Estelle Long 1997. *International Intellectual Property Law*; Kluwer Law International Ltd: London. P.- 5

⁴ *Agreement on Trade Related Aspects of Intellectual Property Rights*, Article 15

⁵ P Narayanan (2001). *Intellectual Property Law*; Eastern Law House: Kolkata/ New Delhi. P.- 146

⁶ WIPO (1988). *Background Reading Material on Intellectual Property*; P.-12

⁷ Supra note 5 at P.-149

⁸ Ibid. P.- 152

⁹ Department of Industries, Kathmandu, Nepal. *Industrial Property Journal* 2060 (2003/04); Volume No. 10, P- 44

¹⁰ Supra note 6, P- 147

¹¹ Deborah E. Bouchoux (2000). *Intellectual Property; The Law of Trademarks, Copyrights, Patents & Trade secrets*; West Legal Studies, Thomson Learning, UK/ USA P.-19

¹² Supra note 10

¹³ <http://www.inta.org/articles/inyourear.html>. 20th August, 2005

¹⁴ <http://www.inta.org/info/glossary.html> 23th August, 2005.

¹⁵ http://www.inta.org/policy/res_soundtms.html. 20th August, 2005.

¹⁶ http://www.jenkins-ip.com/mym/spring2004/item_01.htm. 20th August, 2005.

¹⁷ http://www.patentstyret.no/templates/Page_429.aspx. 20th August, 2005

¹⁸ Supra note 13

¹⁹ Supra note 17.

²⁰ Supra note 3. P.-631

²¹ Supra note 17.

²² Supra note 4.

²³ Supra note 17.