TRADEMARK DISPUTES AND ROLE OF ARBITRATION

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ABSTRACT

Tangible assets have been considered as an essential resource for the growth of a business and were given utmost importance all over the world. Until the time the importance of intangible assets came into existence. It took over a decade or two to realize the importance of intangible assets and ultimately it led to the development of intellectual property laws.

Intellectual properties in simple terms reflect any property, which is created with the person's intellect that is to say; through a person's mind. Intellectual Properties include Trademarks, Copyrights, Patents, and Trade Secrets etc...

Trademarks are a form of intellectual property. Trademarks are marks, which business entities use to differentiate the goods or services from other existing businesses in the market. These marks include any word, symbols, phrases or insignia. There can be trademarks as well as service marks. Trademarks are used for the purpose of goods and service marks are used for the services provided by the various business houses or entities.

Trademark disputes are disputes involving disputes or rivalry between various trademarks Trademark Dispute can be of various types. Disputes in registration of a Trademark, licensing of a Trademark or Trademark infringement, cybersquatting or domain name dispute.

Arbitration has extended its jurisdiction towards the resolution of disputes involving trademarks due to the considerable growth in the Intellectual Property Sector. Various countries across the globe, including India have started working towards its Intellectual Properties and made various laws, which govern them. However, with the growth in the Intellectual Property, there has also been a spike in the Disputes relating to these. “Arbitration- Mediation” resolution

method has been an aid in the resolution of intellectual property disputes. Still no hard and fast rules have been made until date. The introduction of arbitration in the resolution of trademark disputes or IPR disputes will be an aid in lessening the burden of courts.

Keywords: - Trademark, Trademark Disputes, Arbitration, Arbitral Tribunal.

WHAT ARE TRADEMARKS?

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REGISTRATION- Although trademarks are marks which help in differentiating between the businesses or entities in the market but the registration of these marks have not been made mandatory. That is Trademarks can either be registered on unregistered. For the registration of Trademark in India one has to get it registered by the Controller General of Patents, Designs and Trademarks (Office of the Registrar of Trademarks) Ministry of Industry and Commerce Government of India. However, the registration of trademarks does not provide securities like infringement of Trademark or Domain name disputes etc.

EVOLUTION- Evolution of Trademark heads back to centuries ago, before it actually was recognized. Principles were laid down for it. Ancient people used various acts or used various kinds of signs, symbols, diagrams to show their ownership towards anything.

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TRADEMARK INFRINGEMENT

Trademark infringement is a type of dispute where one party may infringe or make an unauthorized use of Trademark that is similar to some other trademark. Generally, the person doing an infringement is with the mindset of doing a fraud against the other and to earn profit in wrong way. Section 29 of the Trademarks Act 1999 deals with the Trademark infringement in India.

In the recent case of *Kaira District co-operative Milk Producers Union ltd. Amul versus Amul Canada 2021 FC 636 decided on 22-06-2021* India, one of the largest dairy producers, Amul recently won the infringement case against the company Amul Canada. This case lays here that Amul which is the largest Food brand and a well-known Trademark in India with its most famous Trademark line, "***Amul the taste of India***" was infringed by the company Amul Canada. The Amul Canada in order to increase the sales and to attract more popularity made this move. After coming in notice of this infringement made by Amul Canada, Amul India sent the defendant and 4 others multiple notices, after which they moved to the Federal Court of Canada. (Kaira District Co-Operative Milk Producers Union Limits (Amul) v. Amul Canada, 2021)

The Federal Court of Canada passed the verdict that Amul Canada infringed the Trademarks of Amul India by copying the logo and their Trademark line, and even the defendant's claimed to be plaintiffs of Amul India and copied the information from the Amul website. The Federal Court of Canada ruled to permanently restrain Amul Canada and award damages to Amul India and Amul India even received the Trademark status by the Intellectual Property Appellate Board of Canada.

WHEN CAN WE SAY A TRADEMARK HAS BEEN INFRINGED: -

A trademark can be said to be infringed if: -

- Identical Trademark: - If one of the marks is identical with the already registered trademark. In such a case it can be held that the trademark infringement has been done.
- Public Confusion: - In simpler words if the two marks are similar in their shape, color or outlook and causes any confusion to the customers then the trademark infringement has been done.
- Unfair advantage: - If the advertisement of any mark results in any unfair advantage and causes any harm to the registered trademark, it will be a case of trademark infringement.
- Non-authorized use of trademark: - If any trademark is used by some other business for the purpose of wrapping or covering the goods without the authorization of the registered user of the trademark then it will be a trademark infringement.

DOMAIN NAME DISPUTE

The growth of industrialization has led to the shifting of business from offline mode to online mode. For this the businesses have to make their own website for which they need a domain. So, domain name basically serves as a form of online Trademark. Domain names are served on the basis of First come First serve basis. But sometimes the owners do not get their domain name according to the business and some other speculators buy those domains and, sell them at a higher price due to which disputes arise among the owners. This has been referred to as *Cybersquatting.*[i]

Starbucks Corporation Vs. Mohan Raj 2009

This is a case of domain name dispute were complainant's domain name *www.starbucks.co.in* was confused with respondent's domain name that is *www.starbucks.in*. Here the arbitrators held that the respondent did it in a bad faith and the domain name was transferred to the complainant. (Starbucks Corporation v. Mohan raj, 2009)

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OTHER CASES: -

Morgan Stanley versus Bharat Jain 28 December 2010

Google incorporation vs. Gulshan Khatri 6 may 2011

ROLE OF ARBITRATION IN TRADEMARK DISPUTES?

Arbitration refers to an Alternative Dispute Resolution method where the parties submit their dispute to the arbitrators for the purpose of resolving dispute and making an arbitral award which is binding upon the parties.

Alternative dispute resolution (ADR) was a long-developing strategy for resolving concerns relating to intellectual property rights ("IPR"). Arbitration of conflicts, particularly "institutional arbitration," is becoming increasingly crucial for India's rising sectors as a result of liberalization and globalization. Intellectual property rights are only as powerful as the enforcement mechanisms available. In this context, arbitration is increasingly being used to resolve disputes concerning intellectual property rights as a private and confidential mechanism, particularly when parties from various jurisdictions are involved.

Intellectual Property Rights are geographical in nature, and they are derived primarily from the legal protection provided by the local sovereign power, which grants the grantee certain exclusive rights to utilize and exploit the right. It is contended that disagreements over the grant, validity, and scope of rights provided should be decided solely by the authority that awarded the right or, in some cases, the courts of that country. As a result, intellectual property rights and claims, as well as the legal challenges that arose from such rights, could not be usefully referred to or examined by an arbitration panel.

This can be understood by the various judgements passed by different courts. like in the case of *Mundipharma Ag vs Wockhardt Ltd.*[ii] the Delhi High Court passed the judgment that copyrights due to not fall within the scope of arbitration and thus the copyright dispute cannot be solved through the process of arbitration. And the remedies of such can be exclusively granted by the civil courts only. In another case of *Booz-Allen & Hamilton Inc vs Sbi Home Finance Ltd. & Ors.*[iii] The honorable supreme court held that the disputes relating to

intellectual property rights fall within the category of "*RIGHT IN REM*" and not under the category of "*RIGHT IN PERSONAM*". So, only those disputes which fall under the scope of Right in Personam are arbitrable. Similarly, in the case of *Sanjay lalwani v. Joystar Enterprises &ors.*[iv] The Madras High Court in consideration with the supreme court's prior judgement held that copyright disputes are of the nature in Rights of Rem and thus they are not arbitrable.

But there are some instances when the courts have actually given green signals for the arbitrability of resolving intellectual property disputes. On 12th of April the Bombay High Court in the case of *Eros International Media Limited vs Telemax Links India Pvt. Limited*[v] it was held that the matter is arbitrable because, in copyright or trademark disputes originating out of business contracts including an infringement or passing off action, the only action and remedy available is an action in personam. And if the parties have decided to adjudicate their dispute through private forum, then the question of non-arbitrarily cannot be raised.

Taking all these to a new level, in the case of *Hero Electric Vehicles Pvt. Ltd. v. Lectro E-Mobility Private Ltd.*[vi] *when the defendant filed IA under section 8*[vii] *of the Arbitration and Conciliation Act,1996 and proposed that the case should be decided through arbitration. The Delhi High Court gave the pronouncement that the enforcement of trademarks is against the world and thus is Right in Personam and are arbitrable.*

CONCLUSION

The growth of the number of pending cases in the court of law, has given rise to the process of arbitration for the resolution of disputes. But, the enforcement of arbitration in the intellectual property disputes is still a very long way to go. It has always been filled with challenges. From firm judgments to giving rigid judgments in IPR, the Indian courts have come a long way. From giving green signals to arbitration in the IPR disputes it has raised itself from anti-arbitration attitude. The Rights in Rem and Rights in Personam is still existent and the courts still consider it before actually considering any IPR dispute to be resolved through arbitration.

But it will be more effective if arbitration is implemented in solving IPR disputes. As, it would help in speedy resolution of cases and lessening the burden of courts and would reduce the

number of pending cases in the court. Apart from that the other few advantages which can be achieved by introducing arbitration in resolving trademark disputes of IPR disputes are: -

- Autonomy of the party.
- Confidence in the forum- Disputes are submitted to a single forum, rather than many forums in multiple jurisdictions at the same time.
- Arbitration's Relative Speed-Arbitration is meant to allow for predetermined decision-making times.
- Access to Expert Arbitrators-The most significant advantage of arbitration may be that parties are free to choose arbitrators who are experts in the dispute's subject matter.
- Confidentiality is a must. Parties are not obligated to clean up after themselves in public. This is a major reason why parties choose to arbitrate.
- Independence from national interests.
- Minimal Damage to the Party/Commercial Relationship.
- Flexibility of Remedy.
- Enforceability of Awards-The New York Convention has 120 countries as signatories: there is only one result, with one place to go to have the result enforced.
- Single Procedure.

ENDNOTES

[i] WIPO has administered about 48000 cases under Uniform Name Dispute Resolution (UDRP) for international domains, such as .com, .org, .net, and 75 countries of top-level domains.
[ii] ILR 1991 Delhi 606
[iii] 2011 5 SCC 532
[iv] (2020) SCC Online Mad 2003
[v] 2016(6) BomC R321
[vi] 2021 SCC On Line Del 1058
[vii] Section 8 of the Arbitration and Conciliation Act, 1996 is **peremptory in nature**. It provides that a judicial authority shall, on the basis of the arbitration agreement between the parties, direct the parties to go for arbitration.