TECHNOLOGICAL PROGRESS IN BRANDING – A CASE STUDY AND CYBER MANAGEMENT

Mrs. Rajlakshmi Wagh

The Brand name suddenly has emerged as the most coveted corporate asset of all. Brands no longer are merely products competing for market share; they’re annuities...

Abstract:
Brands have been around for many years, goodwill earned runs in millions. Trademark create brand in perpetuity, incorporeal assets different from name of persons, emblems’ governed by The Emblem Act. Trademark are depicted by use of signs, logos, punch line, smell, slogans, and music indicating different trademarks creating a brand globally well acclaimed. Most companies possess a wealth of attractive opportunities.

Technological progress been witnessed since time immemorial. The advent of Internet has changed the concept of business, as business houses have adopted newer ways of marketing and creating a brand for themselves. As every coin has two sides similarly the advent of the internet has given birth to intruders practicing unfair trade practices. E-commerce facilitated the use and registration of domain names which resulted in ‘An address in the virtual world’ depicting the Brand, an area fast growing in number. The problem witnessed in Domain name is the concept of ‘first come first served’. This set of a cut throat competition for securing popular Trade name as Domain name. This gave rise to the advent of Typo-squatting. Disputes being inevitable consequence and resolution a pressing need. The Cyber world is vulnerable because of lack of user awareness and adequate controls. Almost all customer choices are at least partially memory-based. Brands are known to influence consumer preference and behavior.

This study contributes to the various management techniques to be followed by the business organization as to security of branding under the Trade Mark Act and Domain names.

This paper describes this process, and results in the identification of branding security techniques from which they acquire regularity, justifying the label ‘branding laws’. This paper, then, makes the claim that these techniques are deduced from case laws, which amounts to practical inputs to business organization. The various strategies for various Cyber management are discussed for with.

Keywords:
Brand, Trade Mark Act, Typo squatting
Methodology
Data is collected from various secondary sources, magazines and journals and relevant cases from PTC and World Intellectual Property Organization.

The scenario existing in business organization for TM is that the business houses take first physical possession of the intellectual property and then announce that they own it. They acquire the possession and then try to get the title. Some of these problems paved the need for cyber management / governance and resulted in developing controls for security of domain names and brands. The issue which evolved is ‘Typo squatting’ where the process of purchasing a domain name that is of variation on a popular domain name. Such is done with expectation that the site will get traffic off the original sight because of the user’s misspelling of the name. For example, registering the domain names webapedia.com or yahooo.com in the hope that someone making a typo will get to that site unexpectedly.

Who are Typo squatters?
Typo squatters register miss-spellings of popular domains with an intention to take money out of traffic from unintentional typing mistakes, or fat-finger errors, made by internet surfers.


Introduction

A billion Dollars are spent around the world a year in the pursuit of building strong brands. These brands increase revenue and margin growth and decreasing the riskiness of a company's cash flows, more effectively than weak brands. Franzen and Bouwman state that *a brand is a network of associations with a (brand) name in the brain of a person*. Brands, according to this view, are pieces of
information, meanings, experiences, emotions, images, intentions, etc interconnected by neural links of varying strength. They build strong impression, value proposition, and product benefit providing customer service. They are the Intangible, Incorporeal assets of the company. They symbolize Power, Quality and Goodwill. To a consumer the Trademark or the Brand is remembered rather than the product. These consumers associate the product to the Trade name, like the invented Trademark “RIN”. The consumer relates it to a washing bar and not to any other product. The psychology of consumers is to call the product by its brand name and not by its description leading to building up customer relationship. The identity of a product is through its Trademark. This may lead to the name entering the ‘generic’ word.
The Brands build up a relationship with customers. Brands may be the same but build up different positions in the minds of consumers. Brand positioning states that the brand must first be recalled from memory and then needs to be evaluated positively. The winning of customers mind is the crucial aspect of any brand and of every business organization.

**Categorization of Brand**

Local Brand
1. Domestic Brand
2. Global / International Brand
3. Institutional Brand
4. Consumer Brand
Brand in India are governed by the Trademark Act. The Act defines the mark as well as a Trademark stating the provisions as to the essentials of a Trademark. Though there is no compulsory registration of Trademark yet the process of registration enables the business house to avail criminal liability. Trademark may be Associated Mark, Certificate Trademark, and collective mark. A “mark” includes a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colors or any combination. Similarly a TM is 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 colors in

Today Trademark Act differentiates between a Trademark and the name as no surname can be a trademark creating a Brand. Exception proves the rule as “Kirloskar”, “Birla”, “Tata” being incorporated prior to passing of the laws. In today’s competitive world where there exists a changing landscape in business. These business houses have crossed boundaries making such brands easily available, thereby giving rise to competition. The Brand is wealth generators they are a key to Goodwill.

**Jurisprudence of IPR**

IPR confers ownership. In the ambit of Jurisprudence, ownership is exclusive, immediate, and unconditional and beneficial with respect to property. This requirement are fulfilled when one is solely entitled in praesenti to some property without the liability of holding it for the benefit of another or of losing it on the happening of any specified event. Thus an interest instead of being exclusively owned may be held along with another or others. It is then said to be concurrent or
co-ownership. Intellectual Property is an incorporeal intangible property entitled to single or group ownership.
Ownership may not be immediate or in praesenti and may take effect in possession and enjoyment only after the expiration of a prior interest.
The two forms of ownership exists
1. Joint ownership where a grant is made to several persons without indicating that they are to take separate interests. Each tenant acquires a separate interest. They acquire an identical interest in the whole and every part of property. There also exists jus accrescendi where it is an incident of joint ownership.
2. Co - ownership : Hindu Joint Family – Common ownership is familiar to Hindu law
3. Incorporeal right: where it is of future ownership. It is unaccompanied with possession of the property. Under IPR a Corporeal and Incorporeal possession i.e. that one person can possess while the other has a right of way over it. Where one could hold the IPR and the other could use it by paying royalty.
In IPR there exists an easement or servitude right where it enables the owner of that land either to use the property or to restrict its use by another to an extent.

Problematic Areas

1. Anti-brand sites
The rising of Anti-brand a new form developed as a result of advent of the internet. The consumers exercise their right to freely broadcast their messages on the web sites, such communication is ‘one to many’ form of communication. Here there exists online branding: ‘Domain names’. These Domain names are easy and catchy to remember (such as Northwest Airlines' Northworstair.org,
Safeway's Shameway.com, Starbucks' Starbucked.com, Coca-Cola's Killercoke.org, etc).

Anti-brand sites purposefully use the targeted corporation's brand name in their domain name to insult the corporation's brand identity and to express their anger and frustration while entertaining and educating consumers and audiences. An Anti-brand site Walmartblows.com stated: 'Pissed off at Wal-Mart, I needed a constructive way of releasing my frustration, so I bought a silly domain name and designed a Web site dedicated to my anger. I have created this site in retaliation against Wal-Mart for their crappy customer service and for treating their employees like s–t'.

2. Domain Name

Every presence on the World Wide Web has the distinction of having a unique address commonly known as a Domain Name being the foundation of the visible structure on the Internet and is the basis on which E-commerce has been built-up. These domain names begin with the prefix, “www” and end with either a three or two letter suffix that is indicative of the type of organization which runs the site. A Domain name has unique numeric IP address. There are top level domain names like .com, .net, .org and .edu. These are known as (TLDs). The two level suffixes indicate the country where the registration is made known as the country level domain name like the www.name.co.in or www.name.co.uk. The prior domain name indicates that it is registered in India where as the latter indicates that it is registered in United Kingdom. These IP Address hold good anywhere in the world as it has it is internationally known address linking the domain and can be located anywhere in the world. This Internet Protocol Address being a unique and distinct
number and corresponds to the computer those stores the digital information. The I.P address changes when the information is moved to another computer.

3. Disputed Domain

A Trademark is governed by the Trade Mark Act having territory jurisdiction. These Trademarks are granted international protection by two International instruments namely the Paris Convention of 1883 for protection of Industrial property

The Domain names are allotted by registering authorities like InterNIC and country specific registries do not check the fact whether any particular applicant is entitled under law to obtain the requested domain name. These domain names are normally allocated on a first-come-first-served basis. These policies of first-come-first-served basis has led to various domain names disputes that have arisen in various national jurisdictions, resulting in Cyber squatting. The reason for this is that for every computer that is connected to the Internet in the world, there is only one domain name therefore two companies having the same name applying for registration of domain name first would be granted the said domain name. This has become very common because well established brand names and trade names and trademarks can be registered by anyone on a first-come-first-served basis and not only by the legal entities having legal right to the said brand names, trade names and trademarks, so long as the said domain names are available for registration. This often leads to numerous disputes. E-commerce on the Internet has made business houses to have the same Domain Name as their trademark but due to technological constraints it has made it impossible for the trader to have a domain name identical to their trade name. The alternative is the directory technology which is based on Real name system
that in turn is searching and browsing technology which will not require domain name to access the Web sites, a user can use other means for web access. The domain name will exist but they will not be indispensable as they are today.xiii

The Uniform Domain Names Disputes Resolution Policy formulated by The Internet Corporation for Assigned Names and Numbers has taken off and is receiving a positive response. However, the said policy is being criticized by the Third World countries on the ground that the same is very expensive from the standards of the Third World and not many companies and legal entities can take benefits of this policy because of its enormous costs.

In the light of above mentioned developments, it is absolutely crystal clear that as on date domain names disputes have to be settled within the national jurisdictions of various countries.

India has been a relatively slow starter on the scenario of Internet. Internet services were started in India by Videsh Sanchar Nigam Limited (VSNL) in 1995 Cyber squatting and trading in domain names has started in India. Domain names disputes are also beginning to set in.xiv

Under the aegis of World Intellectual Property Organization, a uniform policy for resolution of domain names was formulated so as to find expeditious solutions to mounting disputes. This UDNDRP was adopted by ICANN came into effect on 1December 1999 for all ICANN – accredited registrars of internet domain names.

Cyber squatting
It is an act whereby there exists registration of domain names of well-known trademarks by non-trademark holders who further try to sell the names back to the trademark owner. It is observed that under the domain name the registrars do not check to see whether a domain name request is related to existing trademarks, thereby making it simple and inexpensive for any person to register such domain
names that are the marks of established companies. This fraudulent practice prevents use of the domain name by the marked owners, who frequently are made to pay “ransom” in order to get “their Trade Mark / Names” back.

**Case Laws and Management Techniques**

In a leading case, the applicant, a Japanese company, filed a suit under the Trade Mark Act 1999, asking for expunge from the register of Trade Marks the trade mark “GATSBY” registered by the respondent, FEM Care Pharma Ltd, under the application No. 635739.

The contention of the case was

1. Said mark registered was without any bonafide intention that it should in respect of goods for which it is registered.
2. No confide use of the mark since past 5 years.
3. “GATSBY” was never used for the goods registered. – barred under section

The mark was granted registration in contravention of Section 9, 11 and section 18(1) therefore wrongly remaining in register.

The applicant further states that they are using the mark “GATSBY” worldwide and their products are in toiletries, perfumes, hair care products. They are using the said mark since July 1978. They have received ISO certification in Japan and China and very well advertised. An application was made in Kolkata TM office and opposition was laid due to existing mark on 1st December 1998.

On extensive search, they found that FEM Care Ltd did not use the mark. Another application was filed in class 3 in respect of similar goods claiming the use of Trade mark “GATSBY”.

The mark was already registered but not in use by the respondent.

The applicant states that the mark when found on the internet or typed in Google would show the products of the applicant globally available for sale online.
Contention of the respondent

2. This story has been picturised many times.
3. The owner adopted it and conducted a survey and registered it. It was registered in 2003 and renewed further.
4. In 2004 name was registered for perfumes and colognes.

The flaw in the arguments

1. The mark registered by the respondent was in 2003 and objection in 2005 i.e. 28 months it was in use.

**IP Management**

1. TM registered must be bonfide used just by registering it does not mean it is in use. {Refer case In Motion Limited v NBOR Corporation of 12-2-20

2. The company must have evidence or records such as design efforts, test marketing, correspondence, perspective licenses preparation or marketing plans or business plans, creation of labels, marketing or promotional material.

3. TM under the Trade Mark Act in India states that there can be joint owners provided the mark is used for benefit of all and not as rivals. Then will such be allowed.\[xv\]
4. Goods have to be sold in the market to retain the mark or to cancel registration of the mark used by the competitor.

5. It must be proved that the respondent has prior knowledge of the mark in international market thereby getting it evicted from the register.

6. Collect documentary evidence as to the use of mark in international market and in other countries as law acts based on evidence.

7. Internet search is necessary and a continuous process for all organization.

8. It is necessary to have a legal footing with evidence; else the ratification petition will fail as in this case.\textsuperscript{xvi}

9. It is necessary for the company trading in well know marks to collect evidence either documentary or other to establish the fact that they have traded in the said country to prevent fraudster use of the mark.\textsuperscript{xvii} Also refer S.Narendra Kumar & Co V/s Apricot Foods Pvt, Ltd 2013 (55) PTC 172[Bom], chamber Summons No.1319 of 2012 Insuit No.604 of 2010.

10. It is necessary to send employees to check market for duplicate goods sold under the mark.

11. To raise objection immediately at the time when registration is pending and not after the mark has been registered as such could be detrimental to business and to goodwill.

12. Not to be under impression that the defendant’s products are not much in circulation.

13. To send notice to the defendant immediately after being aware of the circulation of the products.

14. To take legal action immediately after being aware of the use of the mark locally.

15. To appoint legal consultant well aware of the law.
In another case of Metro Institutes of medical Sciences P.Ltd V/s Fahad Islahi(Dr.) & Anr, 2013 (55) PTC 164 [Del] CS(OS) 3289 / 2012 it was observed

1. Documentary evidence as to advertisement in paper and print media to be well maintained so as to show use of the Trade Mark.

**IP Management**

a. **In house Engineers** must envision and design the product in an innovative way, using customer input provided via **sales representatives**.

b. **Marketing experts** to assess the product's potential and look out for infringing products

c. **Manufacturing specialists** must cater to the growing demand of products.

d. **Legal Department - Lawyers** must assess how it can be protected from imitators.

e. **Innovator** – To come up with new ideas and techniques. To introduce positive change and make quantum leaps forward in creating new products and processes.

**Management on Typo squatting**

In a leading case under the administrative panel decision, the point of dispute was as to the registration of Domain name “BLACKBURY” and “BLACKKBERRY” as against a leading trademark “BLACKBERRY” being well known globally and commercially well acclaimed. The disputed domain name was registered to Pluto Domain Service Private Limited of Mumbai, India (“Pluto”). The complainant, a Canadian corporation manufacturer and seller of mobile communication device, the most well known of which is sold as **BLACKBERRY**. The complainant owns about
1500 trademark registration and application worldwide containing of the word BLACKBERRY. Generating revenue from the sale of its device. The disputed domain name resolves to a webpage consisting entirely to hyperlink to mobile.

**Management Technique to be adopted by large business houses**

1. To comply with the requirement of Uniform Name Dispute Resolution Policy (“URDP”).
2. To comply with the rules of WIPO Supplemental Rules for Uniform Domain Name Dispute Resolution Policy.

**Conclusion**

The Indian Trademark Act, 1999, enumerates the following provision which specifies that the plaintiff has to prove the following i.e.

1. There has been “commercial use of the registered mark.
2. The Trade Mark has been used in the course of trade.
3. There has been commercial use of the Trade mark and by just registering the name does not amount to commercial use.\(^{xviii}\)
4. To sell the trademark based domain name to the rightful trademark holder constitutes commercial use.\(^{xix}\)

Though the effective managerial techniques are laid down by the author yet it is observed that the Indian Trademark Act lacks effective laws to curb and overcoming the hurdle as to Domain Dispute.

**Bibliography**
4. TMI, Inc, v Maxwell. 2004. 368 F.3d 433 (5th Cir.).

---


xiii Eastern Dyson, Chairman of ICANN quoted by Steven Iery; we are running out of dot.Coms: Good domain names have become so scares that the techies need to create a new approach ,News week ,Oct 11,1999, at 79.(ibid)

xiv Ibid vi


xvii PELICAN TRADE MARK – 1974 – RCP


xix Panavision Int v Toeppen, No. 97 -55467 1998 W.L 178553 at 1 (5th Cir. Apr. 177598)