

A CRITICAL ANALYSIS ON THE EFFECT OF COMPETITION LAW OVER PROTECTION OF NON-CONVENTIONAL TRADEMARKS - A COMPARATIVE STUDY OF EU AND US WITH INDIA

*Sowmiya M.**

ABSTRACT

The puzzling field of non-conventional trademarks (NCTs) keeps expanding by recognising wide range of trademarks both visible signs (3D, hologram, gesture, motion mark, multimedia, fluid marks, position) and non-visible signs (olfactory, gustatory, tactile, sounds), this enumeration seems to get further accentuated by the robust advancement in technology (considering to protect Virtual Reality chime, digital scent, haptic feedback signature). The protectionism approach towards non-traditional marks brings complex interrogation about balancing the interest of consumers and competitors with fair market practices. This research paper seeks to comparatively analyse the nuanced approaches adopted by jurisdictions of EU, US and India to deal with the effect of competition law over protecting non-traditional trademarks. While protecting NCTs, EU being consumer centric by grappling the field of competition, US adopting broader protectionism approach whereas India being neutral and evolving to adopt particular strategy. By scrutinising the existing framework, this research paper delves to highlight the challenges of judiciary in recognising non-traditional marks without compromising on competitors' interest and consumer preferences. This study serves for further research and policy discussions specifically in India, making headway for a stalwart legal framework which fosters innovation and authorises legitimate brand differentiation.

Key Words: Non-Conventional Trademarks (NCTs), technology, Competition law, Protect innovation, fair competition, challenges, legislative and judicial landscape – EU, US & India.

1. INTRODUCTION

The protection for unconventional trademarks has evolved over time and acquired acceptance gradually in the international legislative framework. While the Paris Convention attributed the background for protection, the Madrid Protocol and TRIPS Agreement has played a

* Guest Lecturer, Government Law College, Namakkal

significant role in adopting the non- conventional marks to the temper of its development¹. The term “Unconventional trademark” does not have per se definition in the Indian Trademark System, but its scope is being included in the trademark definition under the Trademarks Act, 1999². The factors like globalisation, advancement of technology, ease of inter-state trade fostered the competitiveness among businesses across borders to earn reputation for its brand and build better consumer relationships. The broadening scope of trade has demanded sui generis system of protection to regulate the market and ensure fair competition among the businesses, resultantly the General Agreement on Trade and Tariffs (GATT) 1947, World Trade Organisation (WTO) 1995 and now the Trade Related aspects of Intellectual Property Rights (TRIPS) 1995 agreement has, for time and now put forth the comprehensive competition principles for restraining the unfair trade practices and monopoly in the market³. In India, Chapter 2 of the Competition Act 2002 extensively deals with restricting abuse of dominant position and other regulations for honest trade principles.

The early history of intersection between Trademark laws and Competition law has emerged like two sides of a coin to trade, on one side, trademark laws to enhance the efficiency of trade by setting up the brands to catalyse the value of business and on the other side, the competition laws to regulate the market by checking on the booming businesses and ensuring that they are following the fair trade practices to establish recognition for their brands. In the current trend, to acquire exquisitely distinctive features to its brand and to have unique reputation, the business holders have entered into creating wide range of new identities through exceptional sounds, vibrant colours, perfumes/scents that instil memories, captivating motion and tactile marks, impressive trade dresses and so on, thus in the international market, the trademark holders evolved to equip their conventional ways (name, logo, symbol, etc.) of identification and brand creation by adopting the fascinating unconventional forms. But this new rhythm of branding sparked conflict among competitors that the recognition of a broad range of unconventional identifications may monopolise the function of that identity⁴.

The study of juncture between competition law and unconventional trademarks law is a multi-faceted aspect, this research article delves to analyse the legislative framework

¹ Dr. Mwirigi K. Charles & T. Sowmya Krishnan, Registrability of Non-Conventional Trademarks: A Critical Analysis, 6 International Journal of Research and Analytical Reviews 914, 914-923 (2019).

² The Trademarks Act 1999, Sec. 2(zb) "trade mark" means 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.

³ International Trademark Association Bulletin, Vol. 61, No. 9, 1st May, 2006.

⁴ Hans Henrik Lidgard, Lawful repair and illegal reconstruction- The intersection between Competition law and Intellectual Property Law, Spring 15 (2013).

concerning both the competition law and trademark laws, further extends to critically examine the case studies across the jurisdictions of EU, US and India. And concludes by providing potential measures to understand the emerging challenges and evolving legal landscape to tackle the competitive dynamism and brand differentiation. Eventually, this research seeks to unleash the jarring path between protecting innovators for their ever-augmenting creation and ensuring the competitive rivals to have an equal opportunity to compete in the flourishing global market.

2. INTERPLAY BETWEEN COMPETITION LAW AND PROTECTION OF UNCONVENTIONAL TRADEMARKS - EU, US AND INDIA

The categorisation of unconventional trademarks under the trademark regime has been traced back neither to a single legislation nor to a precedent, which can be channelized through scrutinising series of development and advancements in history. The 1883 Paris Convention has provided early hints for the inclusion of non-traditional signs such as sounds by its definition 'marks'⁵. Later the Standing committee on Law of Trademark established by WIPO, classified the unconventional trademarks as visual trademarks that include colour, shape and holograms and non-visual trademarks which include sound, taste, smell and texture⁶. The issue was later discussed at several events including the Vienna meeting and in Brussels⁷. And ultimately in the TRIPS agreement 1994, unconventional marks got better recognition still it is not universal, TRIPS provided a minimum standard of protection and left it to individual countries to recognise marks according to their regional concern of functionality and other such requirements⁸. Further the series of trademark cases throughout the 20th century mandated the need for understanding the effect of competition law over non-conventional marks⁹. Since then, the legal landscape and judicial analysis are evolving across regions to accommodate the interest of both the innovators and competitors. Considerably,

⁵ Paris Convention 1883, Article 6 referred to "marks of manufacture, trade, or commerce," which could be interpreted as encompassing non-traditional forms like sounds used for commercial purposes. (While the Paris Convention (1883) did not explicitly define "marks," Article 6 established their protection and outlined key principles. However, the specific language did not explicitly mention non-traditional marks like sounds.)

⁶ Rachna R. Kurup & Nimita Aksa Pradeep, Non- Conventional Trademarks in India: The what, The why and the How, E- Journal of Academic Innovation and Research in Intellectual Property Assets (E-JAIRIPA) Vol. 1 (01), pp. 131-148 (Dec 2020).

⁷ Tanisha Ranjan, India: Protection of Non-Conventional Trademarks, Fast forward Justice's Law Journal (Aug 25, 2020, 9:00 PM), <https://fastforwardjustice.com/india-protection-of-non-conventional-trademarks/>.

⁸ Agreement on Trade-Related Aspects of Intellectual Property Rights, art. 15(1), Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, 33 L.I.L.R. 1197, 1227 (1995).

⁹ For example, Re Application by Peter Julius Tetley & Co. Ltd. (1980) 52 ALR 308 (Aus. Fed. Ct.) - This case dealt with colour trademarks specifically with the Tetley tea packaging's yellow colour. While upholding the trademark, the court emphasized the need for acquired distinctiveness and considered potential anti-competitive effects on other tea producers using similar yellow shades.

the EU and the US jurisdictions have diverse legal systems, better flow of investment, cross-border trading, great structure of economy and larger market size, hence, in this article, the regulatory framework of those jurisdictions are comparatively studied with evolution of Indian diaspora around this issue.

2.1 PERSPECTIVE OF THE EUROPEAN UNION

The inter relationship between unconventional trademarks and competition law cannot be brought to juncture without analysing various legislations in EU that govern, broad range of unconventional marks (smell, shape, colour, hologram, etc.) and various aspects of competition law (antitrust regulations, unfair competition and IP rights) since each category has evolved through years and have its own legal timeline. The trademarks in EU would get registration either at national level or by acquiring community status at the OHIM (Office for Harmonisation in the Internal Market) and hence the European trademark law encompasses laws at national level which are in concurrence with the European Directives¹⁰. The EU Trademarks Directive wherein Art. 2 provides scope for the protection of wide range of unconventional trademarks, while Art.3 (e) provides for refusal or invalidity of a mark when it lacks distinctiveness by consisting of functional shape whereby ensuring functional features remain open to fair competition, further the Article 4 and 5 securing the mark from rivals, taking unfair advantage over its reputation or special features¹¹. The dishonest trade practices with regard to handling unconventional trademarks that include abusing the dominant position for getting registration to marks that are not distinctive, imposing unfair prices that affects consumers and rivals in market, unethical comparison of brands while promotions or strangle the market by inflicting non-competitive agreements and such other anti-competitive measures are restricted and regulated by the Treaty on the Functioning of European Union (TFEU)¹². The Court of Justice of the European Union (CJEU) through its landmark cases¹³, registered its irresistible role in shaping the balance between brand protection and fair competition in the legislative system of the European Union. The legal framework of the EU to address interplay between competition law and protection of unconventional trademarks is minimal and not comprehensive. Despite the system striving to establish equilibrium over this concern, there are several challenges unaddressed. The EU directive recognises

¹⁰ VatsalaSahay, Conventionalising Trademarks of Sounds and Scents: A Cross-Jurisdictional Study, 6 NALSAR Student Law Review 128, 128-141 (2011).

¹¹ Directive 2008/95/EC (Trademarks Directive), Article 2, Article 3, Article 4 and Article 5.

¹² Consolidated Version of the Treaty on the Functioning of the European Union art. 101, 2016 O.J. (C 83) 1.

¹³ Case C-324/19, Sipar and Others v Commission ([2020] ECR I-0845), Case C-370/18, Sky Kick v. DB Services & Others ([2019] ECR I-7391), Case C-323/17, L'Oreal v. A.M.S. and Others ([2018] ECR I-09563).

protection to unconventional marks but the criteria of recognition is still ambiguous. There are no clear guidelines to provide sufficient exceptions to public interest usage like comparative advertisements, the uneven spread of fragmented legislation across member states of the EU makes enforcement of cross-border action difficult. The current framework hassles to adapt for technological advancements whereby lacks future proofing mechanisms to deal with emerging challenges of anti-competitive behaviour such as Artificial Intelligence (AI), Virtual Reality (VR) and Augmented Reality (AR) generated infringement or misleading use of non-traditional marks in virtual environment¹⁴. By acknowledging these gaps, the EU can emerge a dynamic legal framework that fosters creativity, safeguards competition and protects the interest of consumers in the evolving digital landscape.

The two important landmark judgments¹⁵ from jurisdiction of the EU provided an analysis that not all the non-visual marks would get equal range of protection. The ECJ and European Trademark Office apparently exclude the protection to marks that lack requirements of *Sieckmann analysis*¹⁶, thus the marks neither visible nor audible are having hard time in the EU.¹⁷ While the EU framework and elaborative judicial analysis definitely have widened the scope of protecting non-traditional marks, the graphical representation requirement and identifying distinctive feature, remains a hurdle and demands case by case nuanced understanding to unleash unambiguous interpretation of the EU legislators¹⁸.

(i) Functionality

In *Dyson Ltd v. Registrar of Trade Marks*¹⁹, when Dyson sought to register its vacuum cleaner for its transparency of the bin, the registrar of trademarks denied the application for two main objections, functionality and non-visual nature. The transparency of the bin showing dust level was deemed primarily functional, hence the court outweighed any potential distinctiveness and further determined the transparency alone, (not visually

¹⁴ Adam Luke Alexander, The commercial functions of a trade mark, unconventional trademarks and modern technology, *Journal of Huddersfield Student Research*, search.informit.org/doi/10.3316/informit.697829111407435 (2016).

¹⁵ *Shield Mark BV v. Kist*, Case C-283/01, *Ralf Sieckmann v. Deutsches Patent und Markenamt*, Case C-273/00, 12 December 2002- The ECJ, from these cases held that sound/scent or other non-traditional sign can be trademarked if it can be represented graphically in a clear, precise, self-contained, easily accessible, intelligible and durable and objective way.

¹⁶ *Ibid.*

¹⁷ Simon Geiregat, Trade Mark Protection for Smells, Tastes and Feels –Critical Analysis of Three Non-Visual Signs in the EU, *IIC* 53:219–245, (2022). <https://doi.org/10.1007/s40319-022-01160-3>

¹⁸ *Ibid.*

¹⁹ *Dyson Ltd v. Registrar of Trade Marks*, [2003] E.W.H.C. 1062 (Ch) (Court of Justice of the European Communities (Third Chamber)); [2003] E.T.M.R. 77 (ChD) (Patten J.)

perceptible) not qualify as trademark, eventually rejected application of Dyson by highlighting that functional feature cannot be monopolised since that would jeopardise the interest of other competitors in the market. An another landmark case before ECJ to re-establish that the functional features cannot be trademarked how so ever it has acquired distinctiveness and long used, *Koninklijke Philips Electronics NV v. Remington Consumer Products Ltd*²⁰, Philip's was denied trademark to its triangle shaped shaver head when Remington contended that the shape lacks inherent distinctiveness, the court held, since the shape in this case, is necessary to obtain a technical result, not eligible for trademark protection under Article 3 of the EU Directive.²¹ But the three-dimensional shape of Coca-Cola²² bottles has been successfully registered as a trademark since the shape serves no practical purpose nor performs any technical function.

(ii) Antitrust concerns and deceptive practices

The CJEU by handling these cases *L'Oreal v. eBay International*,²³ *Google France Sarl v. Louis Vuitton Malletier*²⁴ established that the existing laws are reactive to the developing needs of society (modern consumer habits like E-shopping), and thriving to have delicate balance between competition, the rights of consumers and rights of trademark holders.²⁵ L'Oreal sued eBay for the sale of counterfeited L'Oreal products, eBay invoked "safe harbor" provisions of EU E-commerce directive (shield online platforms from liability for 3rd party content), initially High Court found in favour of L'Oreal, on appeal CJEU clarified that the online platforms are not automatically liable for infringing content.²⁶ Similarly in the other case, Louis Vuitton sued Google, for showing advertisements (search ad words) that potentially directs its consumers to the competitor's website or to non-authorized retailers. Herein the court held limited liability to the intermediaries (as discussed in the previous case). Though these two cases don't deal with unconventional marks, it provides hope and

²⁰ *Koninklijke Philips Electronics NV v Remington Consumer Products Ltd* [2003] Ch 159.

²¹ Art.3 (e) provides for refusal or invalidity of a mark when it lacks distinctiveness by consisting of functional shape whereby ensuring functional features remain open to fair competition.

²² UK trade mark registration no.2000548.

²³ Case C-324/09 *L'Oréal SA and others v eBay International AG* [2012] Bus LR 1369.

²⁴ Case C-236/08 *Google France Sarl v Louis Vuitton Malletier SA* [2011] Bus LR 1.

²⁵ *Supra* Note at 39

²⁶ Intermediary liability – Intermediaries are held liable when they: (i) Have knowledge of the infringing activity. (ii) Fail to act expeditiously to remove infringing content upon notice. (iii) Play an active role in the sale of infringing goods.

scope for protection even to non-traditional marks in online platforms by not prejudicing the interest of competitors and consumers.

An intriguing decision made by the court of appeal in *Société des Produits Nestlé SA v. Cadbury UK Ltd*,²⁷ has made it more difficult for companies to register pure colour marks by not registering the purple colour (Pantone 2685C) of Cadbury by insisting on the graphical representation requirement. Though the judgment has been criticised for restricting the colour usage and practical challenges of establishing graphical representation, has been acclaimed for protection against colour grabbing (no company can monopolise broad colour categories), thus prevents unfair advantage and maintains open competition in the market. However, the ECJ recognised trademark protection to single colour²⁸ by pointing that threefold functionality test, source identification and distinctiveness as mandatory requirements and also established internationally accepted colour identification code (Pantone Code) that designates thousands of shades by unique codes.²⁹ The system deals the juxtaposition between promoting innovation and stifling monopoly in market on factual basis of cases.

2.2 PERSPECTIVE OF THE UNITED STATES OF AMERICA

In the United States of America, issues concerning the effect of competition law over protection of unconventional trademarks would be studied through broader antitrust principles and case laws evolved over time. The US has had a robust legal framework for more than a century to prevent deceptive and dishonest trade practices through the Sherman Act³⁰, the first antitrust law passed by congress aiming to preserve free and unfettered competition. Later in 1914, the congress passed two additional antitrust laws that include Federal Trade Commission Act³¹ (FTC) and Clayton Act³², hence the three antitrust codes laid an unwithering foundation for legal and fair commercial practices in the US. Though these provisions do not directly cover unconventional marks protection, provide scope to

²⁷ *Société des Produits Nestlé SA v Cadbury UK Ltd* [2013] EWCA Civ 1174.

²⁸ Sanya Kapoor & Riya Gupta, *the Five Senses and Non-Traditional Trademarks*, 8 *Supremo Amicus* 214, 214-231 (2015).

²⁹ Londe Anne Gilson La, "Cinnamon Burns, Marching Ducks And Cherry-Scented Racecar Exhausts: Protecting Non- Traditional Trademarks" *Trademark Reporter*, 95, 773 (2005).

³⁰ Sherman Antitrust Act 1890 (15 U.S.C. §§ 1-7): Prohibits contracts, combinations, and conspiracies in restraint of trade. Could apply to agreements involving unconventional trademarks if they unreasonably restrict competition or create monopolies.

³¹ Federal Trade Commission Act 1914, SEC. 5. [15 U.S.C. 45] (a)(1) Unfair methods of competition in or affecting commerce, and unfair or deceptive acts or practices in or affecting commerce, are hereby declared unlawful.

³² Clayton Antitrust Act (15 U.S.C. §§ 12-27): Prohibits specific anticompetitive practices like price discrimination, mergers, and tying arrangements. Unconventional trademarks could be relevant in cases involving tying a product or service to the exclusive use of a specific scent or sound.

regulate misuse. The Lanham Act 1947 is the prime legislation governing trademark in the United States, definition provided under sec.1051 and sec.1052 opens door to protection of unconventional marks and imposes criteria for protection, further fettering consumer choices by causing likelihood of confusion or stagnating rivals in the market by registering functional part or any other non-competitive policies are condemned through various provisions.³³ Beyond statutory provisions, the USPTO (US Patent and Trademark Office) and TTAB (Trademark Trial and Appellate Board) have shaped protective juncture for co-existence of fair competition and promotion of innovation through gallant legal interpretations.³⁴ Albeit the US has phenomenal framework to analyse the interplay between securing unconventional marks and protecting brands, the conflicting rulings across different federal circuit courts cause inconsistency in enforcement and create challenges for nationwide protection. The flexible and adaptable nature of the US framework leads to political and ideological clashes between free market principle and government intervention and the same complicate issues concerning the appropriate effect of competition law over protecting and promoting unconventional trademarks³⁵. Enhancing the existing protection with specific regulations to accommodate emerging competition issues to protect unconventional marks in digital space and further harmonising the laws across federal states, would serve the US economy in the long run.

Given the liberal approach of the US in recognising non-traditional marks to the trend, it has acknowledged a wide range of unconventional marks from multi-sensory marks (visual, aural, tactile, olfactory and gustatory) to modern holograms and sonograms³⁶. For time and again, the US courts proved that their approach is augmenting the creation without being unfairly competitive.

(i) Functionality

³³ Lanham Act 1947, 15 U.S.C. § 1051 et seq., § 44 (15 U.S.C. § 1126). International conventions; register of marks

³⁴ For example, Third Circuit's ruling in "Traffix Devices, Inc. v. Marketing Displays, Inc." (2004): Upheld the registrability of a unique traffic cone design, demonstrating some judicial openness to non-traditional marks, Qualitex Co. v. Jacobson Textile Co.: Upheld the registrability of a green-gold color for dry cleaning press pads, highlighting the potential protection for non-traditional marks, Two Guys Pizza Franchises, Inc. v. TwoGuys Fruit & Vegetable Warehouse, Inc.: Highlighted the interplay between trademark protection and antitrust concerns. The court ruled that while a pizza chain could protect its "Two Guys" name, it couldn't prevent a grocery store with the same name from operating unless it could prove a likelihood of confusion among consumers.

³⁵ Calboli, Chocolate, Fashion, Toys and Cabs: The Misunderstood Distinctiveness of Non-Traditional Trademarks. *IIC* 49, 1–4 (2018). <https://doi.org/10.1007/s40319-017-0667>

³⁶ *Supra* note 10.

One of the earliest decisions, *Pagliero v. Wallace China*³⁷, discussed the balance between protection of creation and fair competition in the market by differentiating utilitarian functionality and aesthetic functionality for the first time, despite the unfair competition claims, the defendant (Pagliero) was allowed to copy the plaintiff's (Wallace China) design over dinnerware. The Ninth Circuit Court established a broad test for aesthetic functionality, stating that if a feature is an essential ingredient in the commercial success of the product, then that is functional. For a functional feature, recognition is not allowed to ensure non stifling competition. But this decision has been criticised for being broad, ambiguous and impeding innovation over designs. In subsequent cases³⁸, the courts have refined the application of aesthetic functionality test by considering the ability of competitors to compete and possibility of alternative designs³⁹.

In *Kawasaki Motors Corp USA v. Harley-Davidson Michigan Inc.*⁴⁰, it was argued that the sound to motor cycle of the defendant cannot be registered on grounds of functionality since all motor bikes would sound the same, but before the court could arrive into decision, the application was abandoned by Harley-Davidson. In *re Morton-Norwich Products, Inc.*,⁴¹ a manufacturer of household cleaning products sought to register trade dress of spray bottle as trademark. Initially, the USPTO rejected registration on the basis of functional features and lack of distinctiveness. Later, when appealed before TTAB, it established a four factor test to determine functionality⁴², rejected application on grounds of functionality and decided that design of the bottle did not serve as a source identifier.

(ii) Antitrust concerns and deceptive practices

³⁷ *Pagliero v. Wallace China Co., Ltd.*, 198 F.2d 339 (9th Cir. 1952).

³⁸ *Qualitex v. Jacobson Products Co.* 514 US 159 (1995). And *Traffix Devices v. Marketing Displays, Inc.*, 532 U.S. 23, 32 (2001), have clarified and narrowed the application of aesthetic functionality. Endorsed and distinguished aesthetic functionality with the simple statement, “[i]t is proper to inquire into a ‘significant non-reputation-related disadvantage’.

³⁹ *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 850 n.10 (1982) “[I]n general terms, a product feature is functional,” and cannot serve as a trademark, “if it is essential to the use or purpose of the article or if it affects the cost or quality of the article,” that is, if exclusive use of the feature would put competitors at a significant non-reputation related disadvantage.

⁴⁰ *Kawasaki Motors Corp USA v. Harley-Davidson Michigan Inc*, 1997 TTAB LEXIS 11 (TTAB 1997). In this case, the plaintiff had opposed Harley-Davidson's registration of the exhaust sound their motorcycles, Produced by V-Twin, common crankpin motorcycle engines when the goods are in use. The motorbike refer to the sound as ‘potayto-potahto’.

⁴¹ *In re Morton-Norwich Products, Inc.* 671 F.2d 1332 (1982).

⁴² (i) Existence of utility patents for the design features. (ii) Advertising highlighting the design's utilitarian advantages. (iii) Availability of functionally equivalent designs to competitors. (iv) Simplicity and cost-effectiveness of the design's manufacturing.

The *Gucci America, Inc. v. Guess, Inc.*,⁴³ emphasised the significance of competition law (in not only governing monopoly by restricting the functional usage of marks from registration) in protecting innovators from their rivals, the decision served as warning to competitors against imitation of essential elements from luxury brands. Herein the court considered whether Guess's clothing features and some design elements are infringing Gucci's trade dress and whether the same caused confusion among consumers in identifying original Gucci's product. The US courts reinstated the significance to protect unique trade elements by restricting unfair trade practices and highlighted the challenges in protecting consumers from getting deceived over imitations. In *Jack Daniel's Properties, Inc. v. VIP Products LLC*⁴⁴, issue was whether dog toy design of VIP's "Bad Spaniels", infringing upon Jack Daniel's whiskey bottle with parody elements and whether this constitutes trademark dilution and confusion among consumers, the SC decided that using other's trademark as a source identifier even for parody purposes can be infringing and dilutive, by ultimately narrowing the application of Rogers Test⁴⁵ clarified the limits of parody in trademarks and established protection to consumers to have their unambiguous choices by encouraging market with fair competition.

2.3 PERSPECTIVE OF INDIA

The early legal texts like Dharmashastras and Arthashastra codified the social and economic norms in ancient India since 2nd century BCE, though that systems lack modern terminologies of competition and trademark, explored and discussed the concepts of fair trade and protection to innovative creations. Eventually the principles endorsed by the ancient Indian codes went out of trend by the impact of colonial legal system⁴⁶, the present legal framework with regard to the study of competition laws and unconventional marks in India is highly influenced by the British Common Law system. The Trademarks Act 1999 and the Competition Act 2002 are the two exclusive legislations in the existing legislative framework of India to deal with the inter-connection between competition laws and unconventional marks. The trademarks definition provided under the act directly enlarges its scope to protect

⁴³ *Gucci America, Inc. v. Guess?, Inc.* 868 F. Supp. 2d 207 (2012).

⁴⁴ *Jack Daniel's Properties v. VIP Products LLC*, 599 U.S (2023).

⁴⁵ *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989) – designed to protect freedom of expression (over expressive works like art, literature, music, or parodies.) while preventing unauthorised trademark use that creates consumer confusion or tarnish brand's reputation.

⁴⁶ Dr.Suneel Kumar and Shruti Mishra , *Laws Regulating Market Competition in Arthashastra During Gupta Period: An Analysis*, 6 (3) *IJLMH* Page 3073 - 3084 (2023), DOI: <https://doi.org/10.1000/IJLMH.115192>

unconventional marks too⁴⁷, Sec.9 and 11 of the act ensures non-registration to functional marks whereby imposing distinctiveness a priority in granting registration to trademarks and the act assures honest practices in trade and commercial matters by imposing limitations on effect of registered marks⁴⁸. Further the Trademark Manual of India 2017 provided certain guidelines with regard to registering unconventional marks, lack of specific case laws and subjective assessment criteria followed by TM officers hinder the efficient growth of this domain. The competition act in India restricts agreements, licenses with regard to usage of unconventional marks that impede effective competition and empowers Competition Commission of India (CCI) to investigate the effect of anti-competitive practices over protecting unconventional marks.⁴⁹ When comparing to the jurisdictions of EU and US, Indian framework over the concerned issue is still evolving. The lack of specific legislative guidelines and lack of clarity over functionality defence are placing significant weight on judicial interpretation⁵⁰. Despite the judiciary thriving on ensuring fair-competitive practices while dealing with protection to unconventional marks⁵¹, the further development necessitates a comprehensive legal landscape with careful consideration.

In India, since 2008, a series of sound marks⁵² have been given registration just with graphical representation to notions of that mark and acquired distinctiveness criteria. The Shield Mark doctrine and Sieckmann criteria finds its application in the Indian context too. When comparing with EU and US, other than sound, colour and shape marks, the Indian Trademark system has neither included nor excluded other types of unconventional marks (smell, taste, touch and movement).⁵³ India is being steadily evolving with regard to recognising unconventional marks without tampering fair competition in the market.

(i) Functionality

⁴⁷ The Trademarks Act 1999, Sec 2(1) (zb).

⁴⁸ The Trademarks Act 1999, Sec 30 - use of a registered trade mark by any person for the purposes of identifying goods or services as those of the proprietor provided the use - (a) is in accordance with honest practices in industrial or commercial matters.

⁴⁹ The Competition Act 2002, Sec 3(5) (i) (c) and Sec.26.

⁵⁰ Ved Pal Singh, MeenakshiDahiya, Trademark and the Changing Ambit Of Trademark In India, Think India Journal, Vol-22-Issue-01, (January-March-2019).

⁵¹ For example, *Deere and Co v S Harcharan Singh* (2004): Delhi High Court recognized the combined mark of John Deere's word mark, leaping deer logo, and green-and-yellow color scheme as a protectable trademark. This highlights the potential for multi-sensory elements in unconventional marks.

⁵² Supra Note at 6. (Starting from Yahoo Inc.'s three-note yodel, ICICI Bank's corporate jingle, Britannia Industries' four-note bell sound, Nokia mobile phone's default ring tone, MGM film's lion's roar, Raymond: The Complete Man's musical sequence, Edgar Rice Burroughs' Tarzan yell, National Stock Exchange's theme song, etc. are some of the other examples of sound marks in the country.)

⁵³ Ibid.

The Bombay HC reinforced the protection to unconventional marks (bottle shape) and sets a precedent to consider consumers' confusion when assessing distinctiveness, *Gorbatschow Wodka KG v. John Distilleries Ltd.*,⁵⁴ the defendant (John distilleries) has been accused of misappropriating the plaintiff's bottle shape by taking unfair advantage in competition and causing confusion among the public, by reading that plaintiff has acquired distinctiveness over its shape, court granted injunction against defendant. In this lane, the Indian courts have ensured protection among competitors to have fair and active competition in the market. Whenever the rivals take unfair advantage over their competitors' brand identity, courts are always in action to stop the same. In *Zippo Manufacturing Company v. Anil Moolchandani and Ors.*,⁵⁵ when plaintiff (US based company) noticed that the defendants are selling counterfeited lighters with zippo mark in same shape (verbatim imitation of original zippo lighters), claimed for permanent injunction and court granted it. Further in *MRF Ltd. v. Metro Tyres Ltd.*,⁵⁶ the court held in favour of plaintiff by recognising the prominent part of designs that was distinct tread pattern (though all tyres are black and circular, pattern and other arrangements has acquired distinctiveness) and the pattern does not carry any purpose and its non-functionality qualified it as a valid unconventional trademark.

(ii) Antitrust concerns and deceptive practices

In *Cipla Ltd. v. MKI Pharmaceuticals*,⁵⁷ the plaintiff Cipla Ltd. produced and marketed (Norfloxacin tablets) under the brand name "NORFLOX-400" in oval, orange tablets within blister packaging, whereas the defendant are alleged for copying the packaging as same as that of the plaintiff's. The court ruled in favour of defendants and opined that the pharmaceutical products are identified by their generic names rather than their packaging and colour, further the packaging of Cipla Ltd., not established inherent distinctiveness. Thus, the case established that common pharmaceutical packaging features cannot be monopolised, though they create confusion with established brands. This decision has been criticised for increasing the risk of confusion among public and also harming the trust of consumers in generic drugs, but on other side it's been argued that the slight confusion over this regard would not cause any health concerns, the packaging is limited to just identification purpose of brand and the judgment has been made in public interest by favouring the generic drug manufacturers.

⁵⁴ *Gorbatschow Wodka KG v. John Distilleries Ltd.*, 2011 (47) PTC 100 (Bom).

⁵⁵ *Zippo Manufacturing Company v. Anil Moolchandani and Others*, 2011 (48) PTC 390 (Del).

⁵⁶ *MRF Ltd. v. Metro Tyres Ltd.*, 1990 PTC 101⁵⁶.

⁵⁷ *Cipla Ltd. v. MKI Pharmaceuticals*, (2007) (36) PTC 166 Del.

One of the celebrated and contradicted cases in Indian jurisdiction, *Colgate Palmolive Co. v. Anchor Health and Beauty Care Pvt. Ltd*⁵⁸ wherein the red and white colour scheme and trade dress of famous Colgate brand was alleged to be copied by the defendant Anchor. The court ruled in favour of Colgate by granting injunction against the defendant. The Delhi High Court reasoned that the mark of Colgate has acquired distinctiveness by achieving secondary meaning among the public, thus if Anchor(defendant) copies, that means to have unfair competition by taking advantage over the reputation of the already established brand. Considering the trust issue of the general public with the reputed brand Colgate, the HC prohibited Anchor from using the disputed colour scheme and trade dress. The judicial and legal framework of India are certainly influenced by the EU's approach when deciding registration to unconventional trademarks. The controversy of deciding functionality and distinctiveness of trademarks would take a long way for its evolution. From the above analysis, the following table is made to show acclaims and criticisms along with an approach adopted across three jurisdictions of EU, US and India to ensure protection to unconventional trademarks by stifling monopoly in the market.

JURISDICTION	EU	US	INDIA
APPROACH/ STRATEGY	Cautious/stringent	Flexible	Adaptable and Evolving
ACCLAIMS	Harmonised framework Focuses on consumer protection and graphical representation	Developed judicial framework Focuses on providing wide scope to unconventional trademarks and functionality concerns	Amenable for development Progressive by equipping laws to stand with international standards
CRITICISM	Limited scope of protection to non-conventional marks comparing to US	High litigation costs	Legislative ambiguity Over- reliance on judicial interpretation

⁵⁸ *Colgate Palmolive Co. v. Anchor Health and Beauty Care Pvt. Ltd.*, (2003) DLT 51.

	Evolving regulatory landscape - Prone to administrative hurdles	Uncertain criteria of protection- prone to anti-competitive practices	Limited framework to assess effects of anti-competitive practices
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3. EMERGING CHALLENGES AND EVOLVING LEGAL LANDSCAPE

The intersection of unconventional trademarks with competition law brings brimming complexities, striking prompt balance between legitimate source identifiers and stifling anti-competitive risks in the market are always intense and crucial. The broad protectionism approach (over-protection) impedes competition, while under-protection weakens innovation. Amidst the sturdy legislative and judicial framework, demarcating the elusive border between distinctiveness and functionality is gruelling, that task gets harder in an era of rampant technology.

3.1 THE RISE OF AI AND THE BLURRING OF LINES

The new technologies (Artificial Intelligence – AI, Augmented Reality –AR, Virtual Reality-VR) open up the whole new sensory realm. In the context of burgeoning technology, demarcation of distinctiveness from functionality over the AI generated features (such as sound in a VR game, smell from digital scent or haptic feedback signature from an AR interface) seems to be blurring. The case of US district court, *Sherrell Perfumes, Inc. v. Revlon, Inc.*,⁵⁹ signifies the demand for universal method to classify and identify distinct smell from scents given their subjective nature which creates confusion among public considering their nature of olfactory preferences and the Trademark Manual of Examination Procedures (TMEP), emphasises on submission of written description along with specimen while applying for registration of scent marks, still those requirements remain vague and difficult to clarify complications regarding registration to scent marks.⁶⁰

After removing one of the essential requirements (graphical representation) to trademark protection, the EU's Trademark Directive 2015/2436⁶¹ formulates technologically neutral wording to its legislation thereby allowing innovations in the field of scent detection,

⁵⁹ *Sherrell Perfumes, Inc. v. Revlon, Inc.*, 77 F.R.D. 705 (S.D.N.Y. 1977).

⁶⁰ Franco Galbo, Making Sense of the Nonsensical: A look at Scent Trademarks and their Complexities, IP Watchdog, <https://ipwatchdog.com/2017/12/21/scent-trademarks-complexities/id=91071/> (Dec 21, 2017).

⁶¹ Trademark Directive 2015/2436 states that a sign may be represented in any appropriate form using generally available technology, when presented for registration.

reproduction and storage. This opens door for trademark officers to explore the possibility of recognising wide range of non-traditional smells by acknowledging market concerns, but defining a comprehensive and harmonised EU method for protecting scent marks remains a challenge.⁶² While US and EU thrives to have a strategy to acquaint distinctiveness over the scent marks, AI- assisted scent design, discovers digital fragrances and poses more complexities to navigate the uncharted regime of technology driven sensory trademarks.

The emerging technology inquisitively ponders the existing framework to determine whether a specific chime sequence from a VR headset or a haptic pattern (specific pattern of vibrations used by AR app. - provides a peculiar tactile experience) from an AR app. - is just functional (that enhances user experience) or distinctive (to identify the brand). Defining such boundaries to distinguish functionality from distinctiveness with the current system of legal landscape, seems more crucial. When the court struggled to get convinced by the contentions of Harley Davidson⁶³ to register its distinctive bike sound (is that sound functional or distinctive), finding a nuanced approach to deal with above challenges of VR and AR is still a complex legislative and judicial puzzle.

This book⁶⁴ analyses (the diverse fields of competition law, technological advancement and protection to intellectual property rights from the perspective of developing countries) and points out that the traditional notions of distinctiveness on basis of market recognition and human perception cannot be readily applied to untangle the new challenges posed by AI-generated marks that too specifically in the developing countries. In that context, this comparative study of EU and US with India, shows that India evidentially needs to crucially analyse its legislative, judicial and policy framework for being in contest with countries like EU and US to deal with modern day difficulties for protecting unconventional trademarks by securing the competitive market. Beyond the lack of global consistency in trademarks protection and enforcement, the international legal landscape is constantly evolving to adapt for the ever-growing technology and consumer preferences and the same would unleash the emerging challenges for the time to come.

⁶² Tuominen-Reini & Anna-Maria, Non-traditional Trademarks in the Context of Modern Marketing Management: Impact of Scent Technology Development and Other Considerations on Registrability of Scent Trademarks in the European Union, ECTA, 2021. https://ecta.org/ECTA/documents/Tuominen_MasterThesisScentMarksAnnaMariaTuominenReini4247.pdf (accessed Jan 4, 2024).

⁶³ Supra note at 40.

⁶⁴ Nguyen, TuThanh. Competition Law, Technology Transfer and the TRIPS Agreement: Implications for Developing Countries. United Kingdom, Edward Elgar, 2010. <https://www.e-elgar.com/shop/competition-law-technology-transfer-and-the-trips-agreement> (accessed Jan 4, 2024).

4. CONCLUSION

This study of legislative and judicial framework across jurisdictions of EU, US and India reveals that the legal landscape keeps enlarging with unique perspectives and challenges to address the intensive effect of competition law over protecting non-conventional trademarks. The EU emphasis on cautious examination of distinctiveness of trademarks to prevent market dominance and also to restrict trifling claims from rivals for unfair exploitation, always grappling brand holders between protection and innovation, whereas the US seemingly provides great space for brand owners by adopting more permissive approach, but the market is susceptible for anti-competitive harms that necessitates greater reliance over the antitrust lawsuits for ensuring fair competition. And India stands at a crossroads, with limited case laws and evolving legal framework, the brand owners and competitors delving in an uncertain regime, waiting for India to fetch robust mechanisms to foster an innovative and competitive market.

To cope with the versatile and internationally spirited market system, legal arena of EU and US keeps reforming their approaches and serves quintessential framework for developing countries like India to adapt robust legal mechanism to recognise and handle the encumbrances in order to balance innovation and competition in the modern increscent market. In the developing globalised era, the businesses are constantly striving to stand out their competitors by wanting to establish their identity in the most distinctive way, this ultimately magnifies the existing list of non-conventional trademarks (sensory trademarks, multimedia marks and now, digitally stimulated sensory marks and much more to come in the upcoming future) by unleashing the boundary of challenges in the dynamic market. Thus, this comparative study over EU, US and India about the intersection of competition law with non-conventional trademark regime, by providing the intricate stances of specific territories, censures the policy makers of different jurisdictions to enhance the existing framework with nuanced measures to deal the forthcoming tasks of balancing innovation and protection to serve not only the interests of consumers and businesses but also for the interest of global economy at large.