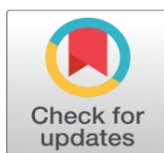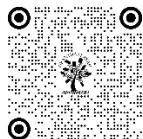# ROLE OF NICE CLASSIFICATION IN TRADEMARK REGISTRATION SYSTEM OF INDIA: A DESCRIPTIVE ANALYSIS

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ABSTRACT

Technological innovations have exerted a far-reaching and transformative influence across nearly all domains of human existence, including the realm of economic activity. These shifts are permeating the sphere of intellectual property, notably reshaping the contours and parameters of trademark law, encompassing both the criteria for trademark eligibility and the scope of legal safeguards afforded to such marks. The Nice Agreement was adopted for the classification of goods and services for protection and registration of trademarks as per the dynamic needs of the market. This agreement provides a broader and more concise list of classifications of goods and services, which play an important role in the trademark registration system. This paper intends to examine the impact of Nice Agreement and classification of goods and services in registration of trademarks. How has the concept of classification of goods and services evolved and developed in trademark law, and what are the criteria for classification and determination of goods and services? How does the Nice Classification of Goods and Services relate to the trademark registration system, and what are the challenges encountered in implementing this provision? These questions would be answer with deep analysis of the Nice Agreement and Trademark Laws provisions. In conclusion section we have witnessed that Nice Classification is playing a pivotal role in trademark registration and the class of proposed trademarks are determined interpreted according to the nature of goods and a standard set up by rules and procedures.

Keywords: Determination, Nice Agreement, Class Heading, Goods and Services, Trademark Registration System

1. INTRODUCTION

Technological innovations have exerted a far-reaching and transformative influence across nearly all domains of human existence, including the realm of economic activity. In recent decades, progress in technology has fundamentally redefined the processes by which goods and services are produced, consumed, and distributed, thereby engendering a profound restructuring of economic systems and interactions. These shifts are permeating the sphere of intellectual property, notably reshaping the contours and parameters of trademark law, encompassing both the criteria for trademark eligibility and the scope of legal safeguards afforded to such marks. Trademark law is fundamentally predicated on the actual utilization of a mark in connection with the goods or services to which it is affixed, serving as a distinguishing feature in the marketplace. Trademark rights are granted based on the mark's goods or services, and not the mark itself. A mark that has registered for certain goods or services does not create any rights unless it is used in commerce or trade. Goods and services also play an important role in the examination of a mark; Section 9(1) (b) of the

Indian Trademark Act1999, deals with intended purpose; this means that if an applicant files an application for a trademark that describes the intended purpose or the primary function of goods or services, the mark will be refused. The basic idea behind this concept is that the mark is not prima facie capable of distinguishing goods or services. Registration of the word SAFFO in respect of cleaning powder or liquid was not allowed on the ground that the word was too close to the descriptive word SAFF, which means clean. In this regard, the goods or services associated with the mark hold a pivotal role within the trademark registration framework. To get a trademark, there must be either goods or services. Trademark law states that each mark must be registered according to their respective classes classified by the Nice Agreement, except well-known trademark.

The accelerated advancement of technology and artificial intelligence has precipitated a profound transformation in the nature of goods and services, thereby complicating the task of categorizing which specific goods and services belong to which distinct class, thus rendering the trademark registration process increasingly intricate.

The exiting studies on this topic are limited, especially ones covering the Nice classification and trademark registration in Indian perspective. Overall, need of the Nice Classification and basic framework of classify the marks are beyond dispute. However, the interpretation of it class heading and significant terms used in classification is open to dispute. Class headings are generally unacceptable to identify the goods and services in trademark offices, if they contained imprecise and vague terms. While Classification give a broad idea of subject of matter of trademark. Applicability on national and international trademark registration provided, and it details scheme was describe in boarder manner and it division in part. Classes 9 and 7 of the Nice classification which are related to electric and electronics. The Nice Classification basically divided into goods and services, which further subdivided into different classes.

This study is an attempt to provide details and systematic analysis of the role of the Nice Agreement in trademark registration. This paper first elucidates the historical aspects of Nice Classification and its evolution and development. Then secondly, it examines the Nice Agreement and its functions and interpretation of heading. Thirdly, it elaborates the role of the Nice classification in trademark registration. Finally, it ends with a conclusion.

2. EVOLUTION OF CLASSIFICATION PRIOR TO THE NICE AGREEMENT

The earliest case in trademark history was Southern v. How, in which it was determined that trademark protection applies to goods of a similar nature (in this instance, industrial goods of the same category). Specifically, the case involved a lawsuit filed by one clothier against another. In the Middle Ages, trademarks were protected under the guild system. Under this system, classification gradually arose based on particular goods of industrial. In fact, the foundation for a trademark classification system was laid by the guild system. The reason behind the study of the rationale of the guild system in the Middle Ages was to know the nature of a trademark and its economics in the medieval period.

Trademarks serve to distinguish specific goods by linking them to a particular company, thereby designating that company as the "source of origin" for the product. Modern classification of goods arose through competition between guilds or intra- disputes to protect their own consumers and goodwill. Trademarks are more relevant to individual manufacturers than in previous history, which led to direct intra-guilds competition and introduced the viable concept of a classification system. However, this system was not only the reason for the evolution of the modern-day trademark classification system, as grounded in the law of trademark registration, but evolved over a period of time based on the factual and economical phenomena of trademarks. The modern Nice classification system is not, developed over night to deal with such a complex system of laws, but it developed throughout the centuries. Now, in the next topic, describe the Nice Agreement in the detail.

3. THE NICE AGREEMENT

The Nice Agreement Concerning the International Classification for Goods and Service for the purposes of the registration of marks signed on June 15, 1957, in Nice, it is a name of place in France. Before the Nice Agreement came into force, the classification of goods or services for trademarks registration was governed through a list of classes, and the alphabetical list of goods is those that were published in 1935 by the United International Bureau for the Protection of Intellectual Property (BIRPI), which was the predecessor of World Intellectual Property Organization (WIPO) . This list consists of 34 classes. This list was not the first example of a classification system involving trademark registration, but some form of classification or index has been used in an early time, not necessary in the classification system of

trademarks per se, perhaps just an alphabetical list of merchants recorded as long ago as the 15th century, which is found in the "Book of Entries for the Corporation of Great Yarmouth.

The Nice Agreement is a multilateral treaty administered by WIPO. The WIPO regulate the Nice classification of goods and services for the purposes of registration of trademarks. The relevancy of the Nice Agreement is that it accepted by all of members of Nice agreement, as well as others members which are not parties to the Nice agreement to used classification of goods and services for registration of marks. The Members of the Nice Agreement, institutions, or organizations are required to adopt the classification system according to Nice agreement for publication of mark in journal and any other documents related to trademark.

Use of the Nice Classification is not only mandatory for registration of national marks among members of the Nice Agreement but also for the registration of international marks under the Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks. It is also applicable for the registration of marks by the African Intellectual Property Organization (OAPI), the African Regional Intellectual Property Organization (ARIPO), the Benelux Organization for Intellectual Property (BOIP), and the European Union Office for Harmonization in the Internal Market (OHIM).

3.1. SCHEME OF THE NICE AGREEMENT

The Nice Agreement contained a total of 11 articles when it first came into existence. This has been revised two times, once in July 1967 and again in May 1977 at Geneva. At present, the Nice Agreement contains a total of 14 articles. Article 1 establishes a "special union" of contracting parties to the agreement and provides English and French as official languages of the treaty. Article 2 discusses the legal scope and use of the classification system, and article 3 deals with a "committee of experts" comprised of one representative from each of the contracting parties, which is the main body to change, modify, or add the goods and services. While Article 8 provides for amendments and changes to the Nice Agreement, it differs from Article 3's amendments to goods and services.

The Nice Classification has been divided into two parts: goods are covered under Part 1, while services come under Part 2. In the original text, goods are covered from classes 1 to 34 in Part 1 and services from classes 35 to 42 in Part 2. In 1995, the preparatory group recommended subdividing the class 42 heading with miscellaneous into three classes. The proposal, despite significant controversies among its member countries, has received approval and came into effect on January 1, 2002 . There are currently 45 classes in the Nice Classification: classes 1 to 34 deal with goods, while classes 35 to 45 deal with services, and all these classes have a class heading accompanied by Explanatory Note and a list of alphabetical items (goods and services).

The goods or services appearing in the class headings are general indications relating to the fields to which, in principle, the goods or services belong. For example, the class heading in Class 38 consists of one general indication, 'telecommunication', while in Class 36 includes four general the class heading "insurance; financial affairs; monetary affairs; real estate affairs. The Explanatory Note describes in the greater details the types of goods or services included in the classes concerned. The Alphabetical list is a list of goods or services set in alphabetical order. Therefore, some trademark offices and practicing attorney consult the alphabetical list to determine the precise classification of each individual product or service.

The objective of the Nice Classification is to standardize the practices of member countries by guaranteeing that all parties and users of the system categorize goods and services based on the forty-five established classifications. Essentially, its objective is not to establish the exact scope of a trademark. This implies that the alphabetical list may contain terms that lack sufficient clarity and precision to accurately identify the specific subject matter included in a trademark registration. Many goods and services in the Nice Classification do not fall under the literal meaning of any class heading. These are classified through making an analogy to comparable goods or services. Goods or services of classes are distinguished on the basis of the purpose, function of the finished product, the makeup of raw material or the branch of activities of a service. A finished product, in principle classified according to its function or purpose, for instance thermometers for medical purposes come under class 10 whereas thermometers in general fall under class 9 (measuring apparatus and instruments). Services in principle classified according to the branches of activities specified in the class headings and in their explanatory notes, and if not specified, then according to the analogy with other comparable services in the alphabetical list. For example production of energy falls under class 40 and publication of books in the class 41 under education; providing the training or cultural activities.

3.2. INTERPRETATION OF CLASS HEADING

The function of Nice Classification and role of the class heading are significant when there is a lack of specific goods or services listed within a class or when there is uncertainty regarding which class certain goods or services belong to. The interpretation of class heading by the courts to determine the categorization of goods or services into certain classes differs depending on the jurisdiction. The Court of Justice of the European Union gave a landmark judgment in the IP Translator case, which is a significant and influential decision. Before the IP Translator Judgment, the interpretation of class heading was applied by two different approaches.

In the first approach, the trademark registered for the full class heading that means the applicant presume that all goods or services of that class would protected by registered trademark like in application of trademark mentioned that goods or services covers all in the particular class (Class heading- covers –all"). In the Second approach, the class heading interpreted literally some specific goods or services mentioned in the application and not all goods or services covers in the particular class ("what it says") . These two different approaches of interpretation of the class heading by different offices of trademark registry in different jurisdictions created considerable issues regarding the subject matter of registration of trademarks. The subject matter of a registration of trademark depended on the interpretation of goods or services of class headings by each trademark office. The legal uncertainty regarding the interpretation of goods or services of the class heading causes numerous problems like priority use or claim, earlier registration claims, the genuine use of trademarks, and infringements of trademarks.

This legal ambiguity was scrutinized in the case of IP Translator before the Court of Justice of the European Union, which addressed the complexities inherent in the interpretation and application of trademark classifications. In the IP Translator case facts of case was that in 2009, the Charter Institute of Patent Attorney filed a trademark application in the UK Intellectual Property office for 'IP translator trademark' in class 41 of the Nice class, which described services as class heading i.e., education, providing for training, entertainment, sporting and cultural activities. The UK Intellectual Property Office (UK IPO) refused the mark for registration on the ground that 'IP Translator trademark' was descriptive and it was not capable distinguished services of one person from those of another as mentioned in class 41 of the Nice agreement. The registrar of UK IPO observed that an application for registration of mark that covers the class heading of Nice class would cover all services in that class that means it covers all services of the class 41 including translator services and not just the literal meaning of the listed of services.

 On aggrieved by this order, the applicant filed an appeal before the Appointed Person (an appellant body of UK IPO) and argued that translator services were not covered by the application and it covered only the literal meaning of general indication. The appellant body stayed the proceeding and referred the case to the CJEU for adjudication. The CJEU held that the Trade Marks Directive mandated that a trademark application must clearly and precisely identify the goods or services it covers. The Court of Justice of the European Union (CJEU) highlighted the importance of having clear and exact descriptions of goods and services in a trademark application. The applicant is required to clearly indicate the specific goods or services of particular class that are included in the class heading. If the class heading does not make it clear that the applicant intends to include all or just some of the goods or a service in a certain class, then the application is not clear and precise.

Thus the CJEU observed that it is duty of particular courts to determine whether the applicant of the U.K. has filed an application for registration of a mark 'IP translator' specified the services or not, and whether applicant intention was to cover all services in class 41 including translation services. The court held that translation services in included in class 41 of Nice classification, hence it is a descriptive mark. As a result of this judgment, the practice in Europe tends to restrict the protection given through class headings and encourages to files an application which describes goods and services in brief, succinct, and precise manners according to the Nice classes, for which they genuinely want to use for the mark.

The Nice Classification has been playing an important role in trademark registration while helping of officers of trademarks, owners, and practitioners as it simplifies the process of determining the correct classification when filing trademark applications in many countries. In addition, a standardized classification system enables the monitoring of publications from trademark offices worldwide to identify potential conflicts and trademark infringement. In this context, it is pertinent to know the relation between the trademark registration process and the Nice Agreement.

4. THE NICE CLASSIFICATION AND REGISTRATION OF TRADEMARKS

The primary goal of the Nice Classification is to identify the products and services for which registration is sought. The trademark owner defines the subject matters of trademark through filing different types of mark and seeking protection for it. But this results in several procedural issues. The examination processes of trademarks depend upon the classification of goods and services filed by applicant. While examining the application of mark by the examiner of trademarks they applied trademark law provisions such as absolute grounds for refusal and relative ground for refusal are based upon the goods and services of marks. In this context, the absolute ground for refusal directly related to distinctiveness of trademarks, and such distinctiveness can be accessed through the reference of goods or services of marks. Again, the ground for refusal of marks which related to customary in the practice of the current language or in bona fide trade practices also depends on goods or services of respective marks.

Section 9 of the Trademark Act, 1999, deals with absolute grounds for refusal of trademarks and states that trademarks consist exclusively of marks or indications that may serve, in trade, and designate the kind, quality, quantity, intended purpose, or have a value, geographical origin of the goods or of rendering of the service, or other characteristics thereof ;And trademarks that are of a kind that deceives the public, for example, about the nature, quality, or place of origin of the good; and trademarks that are solely composed of the shape or another characteristic that arises from the nature of the goods themselves, which is required to obtain a technical result, or which gives the goods substantial value.

The classification of goods and services are relevant to determination of similarity of marks, the owner of a trademark has the right to restrict the third parties from using that trademark in trade. However, this right is limited to the specific goods and services for which the trademark is protected. It is also relevant in assessment of acquired distinctiveness of mark, since goods or services must be used in commerce. Therefore, we can say that the Nice classification system play an important role in registration of trademarks in relation to that it may give rise to an absolute ground for refusal, determination of identical or similar mark, and assessment of acquired distinctiveness.

There are number of benefits if the goods and services are provided in accurate, clear and precise manners in the trademark application. First, proper classification of goods and services facilitates smooth process of trademark examination at the trademark offices of different jurisdictions. Second, better knowledge of classification system fosters the client confidence, thirdly, accurate classification save the application fee, and it is very important at international level to protect goods and services of trademarks, etc.

5. CONCLUSION AND SUGGESTION

It is evident from the above discussion that the trademark laws not only protect brands names, images, devices, and logos from infringement of trademark but it also segregated one industrial product/ services from other industrial products and services. Trademark law is grounded in the classification of goods and services, and when these goods and services are accurately assigned to the appropriate Nice Classes, they receive enhanced protection, thereby reducing the likelihood of trademark infringement. As we have observed in the historical evolution of classification, the categorization of goods dates back to the guilds' era, with the modern system emerging through competition and internal disputes among guilds, who sought to safeguard their consumers and preserve their goodwill. Present Nice Classification of goods and services is a standardize criteria that is adopted by WIPO at international level. This classification criterion follows in practices of members of WIPO countries by guaranteeing that all parties and users are treated equally.

The Nice Classification has assumed a pivotal role in the trademark registration process, offering significant assistance to trademark officers, owners, and practitioners by streamlining the determination of the appropriate classification for goods or services during trademark application submissions across various jurisdictions. Moreover, the adoption of a standardized classification framework facilitates the systematic surveillance of trademark office publications globally, thereby aiding in the identification of potential conflicts and instances of trademark infringement.

For a more precise evaluation of a mark's goods and services, it is essential that the class under which they are categorized be clearly and accurately specified. Certain categories of goods, particularly those that originate from a specific country, should be determined by the country of origin based on the inherent nature of the goods. Consequently, this classification must be duly reflected in the WIPO database to ensure proper registration and protection.

CONFLICT OF INTERESTS

None.

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None.

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