

Mr. Tshering Tenzin
Legal Officer
Department of Intellectual Property
Ministry of Economic Affairs
Royal Government of Bhutan
Thimphu, Bhutan

Email: ttenzin@moea.gov.bt

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RE: INTA Comments to Bhutan IP Office

The International Trademark Association (INTA) is a global association of trademark owners and professionals dedicated to supporting trademarks and related rights to foster consumer trust, economic growth and innovation. INTA has over 7,000 members, including trademark owners, professionals and academics, from more than 190 countries, including 1 member in Bhutan. INTA was founded in 1878 and is headquartered in New York City, with offices in Brussels, China, Santiago, Chile, Singapore and Washington, D.C., with representatives in Geneva and Mumbai.

INTA is pleased to submit comments on certain questions at the request of the Bhutan Department of Intellectual Property (DoIP). INTA looks forward to working with Bhutan as it continues to develop its trademark system and to support the country's efforts to foster brands and commercial creativity, and protect consumers.

As part of Bhutan's National Intellectual Property Policy¹, trademarks are a part of the vision to realize sustainable economic growth, provide Bhutanese citizens with access to quality products and services and foster innovation and creativity, in line with the principles of Bhutan's signature policy of Gross National Happiness and the economic development plan Bhutan 2020. Additionally, trademarks are a means for SMEs to capture and create value from initiatives such as "Brand Bhutan" which seeks to cultivate a national image.²

INTA notes that the DoIP has undertaken numerous trainings on intellectual property in recent years.³ The value of intellectual property should continue to be raised as a priority for economic development, and an essential pillar for sustainable investment. INTA encourages the DoIP to also focus on the importance of trademarks, in addition to other intellectual property rights. Trademarks present an opportunity for local businesses to build immediate value, in particular for cultural crafts, cottage and small industries, while also protecting consumers and building trust and quality in commercial markets. Brands more generally, including geographical indications, collective marks or certification marks, also provide opportunities for producers to receive value from their intangible assets, while also providing an opportunity to compete in international markets. INTA welcomes the opportunity to support awareness and training on brands in Bhutan in the future.

¹ Bhutan National IP Policy. http://www.gnhc.gov.bt/en/wp-content/uploads/2017/05/Final-Draft-of-National-IP-Policy_Version-Nov.-2015-1.pdf

² Cottage, Small and Medium Industry Action Plan. <http://www.moea.gov.bt/wp-content/uploads/2017/07/CSMI-Action-Plan-2015-2018.pdf>

³ <http://www.moea.gov.bt/?p=3813>

A research report released by INTA in 2017 entitled *The Economic Contribution of Trademark-Intensive Industries to 5 ASEAN Economies*⁴ indicates that trademark-intensive industries generate increased employment across sectors, higher productivity per employee, and added contributions to international trade. The study focused on 5 countries in Asia, including developing, middle-income and developed countries. Specifically, across trademark-intensive industries within the five countries studied, workers' in trademark-intensive industries share of the total workforce ranges from 13% to 29% of total employment, direct contribution to GDP varies between 22% and 50%, and indirect contributions to GDP range from 40% to 60%. Findings from the study also reveal a strong "trademark effect," throughout the region, demonstrating an overall increase in value-added per worker of around 90%.

INTA would also like to emphasize the need for countries to direct resources towards enforcement of trademark rights. The negative impact of the trade in counterfeit goods cannot be understated. A recent report from Frontier Economics⁵, commissioned by INTA and the International Chamber of Commerce Business Action to Stop Counterfeiting and Piracy (ICC BASCAP), indicates that the global economic value of counterfeiting and piracy could reach US \$2.3 trillion by 2022. The report also estimates that counterfeiting and piracy will displace economic activity in investment, public fiscal losses and criminal enforcement, of nearly USD 1.9 trillion by 2022.

Within this context, INTA is pleased to provide its views on several questions received from DoIP regarding trademark law.

1. Trademark and tradename

How do the legal right of trademark and tradename differ?

INTA Response:

Generally, a business name is the name under which a company does business. A trademark is any word, symbol, or design that identifies and distinguishes the source of one party's goods or services from those of others.

Trademarks in Bhutan are registered by the IP office whereas tradenames are registered by the regional trade and industry offices (RTIOs) which are separate from the IP office. However, unlike in case of trademark, Art. 8 of the Paris Convention and Section 32 of Industrial Property Act of Bhutan accords legal protection to a tradename even prior or without registration. Conversely, tradename registration in Bhutan is mandatory for its use, which is also the cases in many other countries.

Does the requirement of mandatory registration of tradenames mean deviation from the principle of Art 8 of the Paris Convention?

INTA Response:

⁴ https://www.inta.org/INTABulletin/Pages/Impact_Studies_Committee_Update_7216.aspx ,

<https://www.nst.com.my/business/2017/09/279238/businesses-using-trademarks-contribute-30-pct-malysias-economy>

⁵ The Economic Impacts of Counterfeiting and Piracy (2017). <http://www.inta.org/Communications/Pages/Impact-Studies.aspx>

The Paris Convention is not always considered self-executing, meaning a member jurisdiction must enact its own laws for there to be effect given to Paris Convention Articles. Generally, the Paris Convention is intended only to give foreign entities in a particular jurisdiction the same rights enjoyed by nationals of that jurisdiction, not more rights.

In this context, can a tradename be denied registration if it is same/similar with the already registered trademark? Alternatively, vice versa?

INTA Response:

INTA passed a board resolution covering conflicts between trademarks and business identifiers.⁶ INTA supports the adoption of laws to reduce conflicts between trademarks and business identifiers based on the following principles:

The relevant test as to whether a business identifier has been used in a manner that subjects the user to a claim for violation of a pre-existing right in a trademark or business identifier should be whether a business identifier is being used to identify or to designate a business, business activity, vocation and/or to otherwise distinguish the user's goods and/or services from those of another, including use for shop names, website names, labelling or packaging goods, business stationery, and/or advertising of goods and services.

To the extent that a trademark has been registered or to the extent that a trademark or business identifier has been put to use, the owner of such trademark or business identifier should be deemed to own enforceable prior rights at least to the extent against a later-adopted business identifier if:

- before adoption of the later-adopted business identifier, the prior trademark has been registered and/or,
- the prior trademark and/or prior business identifier has been put to use in such a manner that it has established a reputation and come to represent goodwill of its owner such that it functions as an indicator of source of the trademark owner and/or,
- there is bad faith in the use and/or registration of the later-adopted business identifier (for example, and without limitation, for purposes of frustrating trademark law principles or otherwise preventing the exercise of a valid trademark right).

Severe penalties should be imposed for the intentional infringement of a trademark by the holder of a business identifier, particularly for activities that support, enable, or encourage counterfeiting activities.

Notwithstanding any other law or regulation, trade name and other business identifier registrars should be empowered and required to comply with court orders requiring the

⁶ <http://www.inta.org/Advocacy/Pages/TrademarkRightsBusinessIdentifiers.aspx>

removal, modification, and/or amendment of an infringing and/or diluting business identifier,

For more information, please see INTA's [Model Trademark Law](#).

2. Trademark and domain names

Can a domain name be registered as a trademark? Under what condition is a domain name registered as trademark?

INTA Response:

Yes, it is possible for a domain name to be registered as a trademark.

A domain name can be registered as a trademark, provided it satisfies the requirements of each country's local trademark legislation, namely, that it is not generic, non-distinctive and does not merely state the quality, quantity or kind of the goods or service that you are selling. Accordingly, the domain name must function as a source indicator and identify a website as a source of origin of particular goods or services to be eligible for trademark protection. A domain name must be an indication of source and not merely an Internet address where your customers can find the owner. Additionally, it must be understood that the generic transfer protocol, dot, and top-level domain cannot function as source indicators and lack distinctiveness. These designations are merely devices that every Internet site provider must use as part of their address.

The Industrial Property Act of Bhutan, which governs the registration of trademark, does not contain any provision relating to the registration of domain as a trademark. As such, can we register the domain as trademark if it fulfils trademark criteria? Even without the specific legislation to the effect?

INTA Response:

It is possible to register a domain name as a trademark once it satisfies the local trademark criteria. Many jurisdictions lack specific legislation to this effect but acknowledge that once the name satisfies the trademark registration criteria, it is eligible for trademark registration. The same would apply to Bhutan.

Which countries register domain name as trademark? Do these countries have domain name provision in their trademark law?

INTA Response:

As mentioned above, many jurisdictions lack specific legislation on domain names as trademark, but acknowledge that once the name satisfies the trademark requirements, it is eligible for trademark registration. Examples of countries which register domain names as trademarks are:

- India – India has no specific legislation, however decisions of the courts in India have indicated that domain names are subject to trademark laws and capable of being registered as trademarks as the domain name not only serves as an address for internet communication, but also identifies the specific internet site and distinguishes specific business or services of different companies.
- United States of America – There are no specific domain name provisions in U.S. trademark legislation, however the position of the USPTO is that once the domain name satisfies all trademark requirements, it is eligible for registrability. The trademark legislation requires that specimens be provided to show evidence of use, and accordingly, the domain name as depicted on the specimen must be presented in a manner that will be perceived by potential purchasers to indicate source and not merely an informational indication of the domain name address used to access a website.
- Australia – There are no specific domain name provisions in Australian trademark legislation. However, case law has indicated that a domain name may be used as a trade mark when it can be shown to be a sign used in trade to distinguish goods and/or services from those of other traders in addition to operating to indicate the location of a website.
- Europe – While there is no specific legislation on domain name as trademarks, the European Intellectual Property Office also acknowledges domain names as trademarks.
- Jamaica - While there is no specific legislation on domain name as trademarks, the Jamaica Intellectual Property Office also acknowledges domain names as trademarks.

The general position throughout the different jurisdictions is that once the local trademark registration requirements are met, a domain name can be registered as a trademark and this registration is considered one of the more effective ways of ensuring legal exclusiveness over a domain name throughout the territory of the country where the trademark right was granted.

3. Protection/collaboration of development philosophy

Can a development philosophy in a country be protected? For example, Bhutan has adopted its unique development philosophy known as “Gross National Happiness”. Is there any possibility to protect such philosophy under the aegis of trademark law or any other relevant laws? Any examples?

INTA Response:

It depends on several variables. Typically, trademark laws only protect marks used to identify and distinguish the source of one party’s goods or services from those of another. Systems, processes and “philosophies” would generally not qualify as goods or services for purposes of trademark protection. However, where a product or service “incorporates” a philosophy, and is identified under a mark reflective of that philosophy, such a mark might well support a registration (assuming all other registration requirements can be met).

Since Bhutan is known as the “Happiness Country” throughout the world, the Tourism Council of Bhutan has adopted its tagline as “Bhutan – Happiness is a place”. Recognizing this, a foreign company wants to collaborate and use ‘happiness’ on their product. The company intends to share profits from the sale of such product. In such a situation, what is the nature of such a deal regarding trademarks?

INTA Response:

This would likely be a trademark license deal between Bhutan, or the Bhutan agency or department involved, as the owner of the slogan mark and the foreign company.

The tagline is not registered as such under trademark law and in such a situation, which laws are relevant?

The requirements to qualify as a trademark owner typically is a function of the law of the local jurisdiction. In many countries, governments and government departments/agencies are qualified to own trademarks.

If Bhutan’s trademark law does not address this, it might be possible to base an agreement on a commercial/business regulation which controls the right to do business in Bhutan.

How are such deals made in other countries?

INTA Response:

In many countries, the deal is consummated as a license between the government entity owning the mark and the foreign company.

These responses were compiled by the Internet Committee, Enforcement Committee and INTA staff. If you have any questions or concerns, please do not hesitate to contact Mr. Seth Hays, Chief Representative, Asia-Pacific, at shays@inta.org .