

Ranjan Narula Associates

Prosecution strategies to address gridlock

With a rising number of trademark applications resulting in examination delays, it is crucial that brand owners do all that they can to expedite prosecution of their applications

Following the liberalisation of its economy, India set out to overhaul its trademark laws in order to increase the scope of protection and reduce delays. In September 2003 the Trade and Merchandise Marks Act 1958 was repealed and the Trademarks Act 1999 introduced. The new act brought about several prominent changes, including the introduction of provisions relating to the protection and enforcement of service marks and the establishment of the Intellectual Property Appellate Board. Similarly, the Trade and Merchandise Marks Rules 1959 were repealed and replaced by the Trademarks Rules 2002. The new rules introduced important amendments aimed at curbing unnecessary delays and streamlining trademark proceedings. However, post-amendment data shows that the Trademarks Registry is struggling to keep pace with the increase in filings. According to the annual report issued by the controller general of trademarks, 179,317 trademark applications were filed in 2010 to 2011 – an increase of approximately 26% on the previous year. The chart below shows that more than 35% of applications are pending examination. There are several reasons for the delays, including a shortage of staff at the registry. But there are practical steps that rights holders can take in order to deal with the delays.

Table 1. Trends in trademark applications (source: IP Office Annual Report 2010-2011)

| Year | Filed | Examined | Registered |
|---------|---------|----------|------------|
| 2006-07 | 103,419 | 85,185 | 109,361 |
| 2007-08 | 123,514 | 63,605 | 100,857 |
| 2008-09 | 130,172 | 105,219 | 102,257 |
| 2009-10 | 141,943 | 25,875 | 67,490 |
| 2010-11 | 179,317 | 205,065 | 115,472 |

Trademark application requisitions

India adheres to the 10th edition of the Nice Classification of goods and services, and provides protection to both goods and service marks. In order to check the availability of a mark and assess the risk of using and registering it, it is advisable to search the register and conduct common law searches to avoid conflict and expense on launch of a product. The Trademark Registry's records are fully automated and a search can be conducted for similar or identical marks using various search criteria. The definition of 'mark' under the Trademarks Act has been widened to include anything that can be represented graphically and which is capable of distinguishing the goods or services of one party from those of another. Thus, the term 'mark' includes shapes, sounds, packaging and colour combinations. Single-colour marks are still not registrable, as they are not considered inherently distinctive per se. However, the distinctiveness objection can be overcome by presenting appreciable evidence of use both in and outside India by way of affidavit in order to demonstrate that the mark has acquired distinctiveness. The Trademarks Act is modelled on the UK Trademark Act; therefore, parties can refer to the guidelines provided in the UK Manual of Trademark Practice, since the Indian practice manual is yet to be finalised.

In addition to proving distinctiveness of a mark, it is also useful and influential to show that the mark has been registered in Commonwealth territories without the need to file evidence of use to show that the mark has acquired distinctiveness.

In order for an application to be prosecuted expeditiously, it is imperative that it include the following information:

- full name and address of the applicant(s);

- international class with exact goods/services of interest – class headings should be omitted, as they will be subject to objection at the examination stage. The number of characters in the specification of goods/services should be limited to 500; an extra fee is charged for additional characters. Indian law provides for multi-class applications; however, there is no reduction in official fees for filing a multi-class application;
- information relating to use of the mark in India, if any – the application can be filed on an intent-to-use basis. Indian law does not require actual use of a mark for either its registration or renewal; and
- power of attorney in favour of the agent representing the applicant before the Trademarks Registry – this must be signed (no notarisation or legalisation is required).

If the above-mentioned documents are provided at the filing stage, this will help to expedite the first stage of examination (ie, a formal check in which the examiner conducts a preliminary check of the documentation and information given at the time of filing the application). This ensures that the application proceeds to the second stage (ie, substantive examination). The Trademarks Registry now accepts applications online; applicants are at liberty to file applications online either directly or through their agents (in case of foreign applicants). Online filing ensures speedier processing and fewer errors in data entry.

At the second stage (ie, substantive examination), the examiner determines whether the mark is sufficiently distinctive and not descriptive. The examiner will

also check whether the mark is confusingly similar to any other registered mark(s). Again, it is advisable to conduct a pre-filing search in order to know which marks are likely to be cited at the examination stage. For example, if the similarity of cited marks is confined to a suffix or prefix of the candidate mark, it is helpful to prepare arguments in advance in order to demonstrate that the suffix or prefix is common to the trade and distinguish the citation on that basis. In cases where the applicant's mark co-exists with similar marks in other countries – in particular, its home country – it is advisable to obtain the relevant extract from the register and file an affidavit to confirm that such marks co-exist. In some situations, it may be advisable to obtain a consent letter from the rights holder of the cited mark.

In cases where the applicant has claimed use of a mark in India at the time of filing, it is recommended that an affidavit of use also be prepared, which can support such a claim. As and when the registrar asks for the affidavit of use, it can be produced easily and filed at the registry. In turn, this would help to prosecute the application in an expeditious manner.

With the computerisation and digitisation of the registry's official records, examination reports are now being periodically uploaded to the registry's website. Thus, applicants are advised to check the website regularly to download examination reports. The Trademarks Registry is currently examining applications filed in November 2011. The examination process has been streamlined and is conducted chronologically. When a report is uploaded to the registry's website, it should be responded to immediately, rather than waiting for the registry to serve it on the agent.

Addressing delays

The registry has introduced a free express service to expedite the processing of applications and post-registration changes. The facility can be accessed by sending a request marked 'express service request' to the assistant registrar in Mumbai. It is available in the following circumstances:

- non-receipt of first examination report within 15 days of filing the application;
- non-receipt of post-registration changes (eg, where a registered mark has been assigned and the request to record the subsequent proprietor is pending); and
- non-receipt of a legal certificate (eg, certified copies of entries on the register).



Ranjan Narula
Managing partner
marula@indiaiprights.com

Ranjan Narula is the managing partner of Ranjan Narula Associates, a specialist IP firm that he founded in 2004. He has over 20 years of post-qualification experience in contentious and non-contentious intellectual property, and has worked with the legal department of Burmah Castrol. He was also a partner with Rouse, heading its India practice for 10 years. He extensively advises IP holders on brand management issues and provides strategic advice on IP clearance, protection and enforcement.



Rajiv Suri
Partner
rsuri@indiaiprights.com

Rajiv Suri is a partner with Ranjan Narula Associates. He has more than 18 years of experience in the IP and commercial law fields. He regularly advises international and multinational clients on issues involving the prosecution, enforcement, licensing, protection and acquisition of intellectual property in India and the subcontinent.

| Year | Rectification | |
|------|---------------|----------|
| | Filed | Disposed |
| 2007 | 216 | 39 |
| 2008 | 292 | 63 |
| 2009 | 294 | 64 |
| 2010 | 271 | 63 |
| 2011 | 193 | 171 |
| 2012 | 285 | 127 |

By introducing the above steps, the registry aims to improve its functioning and clear its backlog. However, in practical terms, such initiatives will be ineffective in the absence of bureaucratic will to implement them.

Oppositions and cancellations

According to the Trademarks Registry's annual report, 20,746 oppositions and 391 rectification/cancellation petitions were filed in 2010 to 2011. Only 766 cases were posted for hearing. Thus, it is clear that there exists a backlog, which is particularly high at the Delhi office of the Trademark Registry. It seems that additional hearing officers must be employed at the registry if the backlog of oppositions is to be addressed appropriately.

Further, the quality of examinations must be improved. Given the number of oppositions being filed, it seems that examining officers are being too liberal in accepting similar or identical marks and leaving it to rights holders to battle it out at opposition stage. Recently, the Trademarks Registry has focused on special cases in an attempt to reduce the backlog of oppositions, in particular those cases where parties have reached an amicable settlement by agreeing to amend goods or withdraw the opposition or application. In such cases, final orders are being issued expeditiously.

A rectification petition can be filed before the Trademark Registry or the Intellectual Property Appellate Board. The Trademark Act provides an option for petitioners to file a cancellation action before the board or Trademarks Registry. In view of the backlog of cases at the registry, it is advisable to institute proceedings before the board, as they tend to be dealt with more quickly. The proceedings take between three and four years to conclude.

For India to attract foreign investment and capitalise on its increasingly entrepreneurial population, it must address the procedural hurdles that continue to pose challenges for rights holders when protecting their intellectual property. [WTR](#)