

India

RNA Intellectual Property Attorneys

Prosecution tips for India

India is providing a better atmosphere and infrastructure for trademark prosecution, even though it faces significant challenges in this area

Trademark law in India has undergone significant changes (both substantively and procedurally) over the last 10 years. At the same time, there has been a steady rise in the number of applications being filed. Unfortunately, this has focused attention on the delays that applicants continue to face. Over the last decade, the Trademark Office has had to grapple with the twin challenges of:

- implementing the Trademark Act, which came into effect in 2003 and introduced several changes, including service mark protection, shape and sound mark registrations and protection for well-known marks; and
- a modernisation initiative to cut down on delays and digitise records.

More recently, the Indian government signed the Madrid Protocol, which came into effect in July 2013. This article provides an insight into the functioning of the Trademark Office and outlines practical tips for rights holders seeking to protect their brands in India.

Almost all records at the Trademark Office are now digitised, although a few records created before 2003 may have some details missing. Applications can now be filed online and records are updated instantly for these. A large proportion of applications in India are still filed physically, which can result in a time lag of between one and two months for such applications to be updated. However, the Trademark Office portal seamlessly connects all five branches (in New Delhi, Mumbai, Kolkata, Chennai and Ahmedabad) seamlessly. Thus, application numbers are now generated through a computerised database in order of filing, based on the date and time of filing, irrespective of the office at which the application is filed and whether it is filed online or in person.

The Trademark Office's online web portal has a searchable database of all registered and unregistered marks. This can be searched by using various strings of the marks involved, including the prefix and the suffix. There is also a function to conduct device mark searches by using the Vienna codes and to search by the name of the brand owner, although such searches can be carried out only for registered trademarks. This is a big accomplishment for the Trademark Office – seven years ago, it was struggling with paper files and searches could be conducted manually only.

The digitisation of records has also made it possible for the registrar to establish a pool of examiners which examine all applications centrally. Examiners are allotted applications, which are then examined in order of filing. Once an application is examined, which now happens within 12 to 15 months of filing, the examination report or office action is posted on the Trademark Office website. The signing of the Madrid Protocol has helped in this regard, as the Trademark Office must examine all applications coming through the Madrid route within 18 months or else they will be deemed to have been accepted.

In terms of sending out examination reports, a glitch in the system means that the applicant or its agent is not always informed that the mark for which it has applied is being examined. Thus, rights holders should check the Trademark Office website regularly for examination reports and ensure that they respond to these in a timely fashion.

Applications that are being examined will be set aside if the applicant files a request to change any details of the mark being applied for or any details about itself. This is because not all examiners are authorised to deal with such requests

and make such changes to the database. Examination will resume only after such requests have been allowed. Thus, rights holders are advised to take up such matters with the senior examiner or assistant registrar at the office where the application was filed.

Stakeholders' expectations

The functioning of the Trademark Office has become a great deal more transparent as a result of digitisation. Its various branches now need to take their service to the next level by setting internal timeframes for the following functions and sharing these with stakeholders:

- the period within which an application must be examined;
- a deadline for scrutinising replies to the examination report and fixing a hearing, if required;
- the period for advertising or publishing the application in the *Trademarks Journal*; and
- a deadline for issuing registration certificates.

Each branch should consider designating a PR officer to address any grievances of rights holders or practitioners. In addition, each should set out a procedure to correct errors that are due to incorrect data entry.

Improving examinations

In a bid to examine applications within 12 to 15 months, and bearing in mind the Madrid Protocol requirement that all examinations take place within 18 months, it has been observed that a high percentage of applications in India meet with a preliminary refusal. Different examiners use different search criteria or strings to cite conflicting marks. Some consider only the first three letters of a mark, whereas



others search only for the complete mark. In addition, some also search for marks that are phonetically similar to the examined mark. It is vital that clear guidelines and training be implemented to help guarantee consistency in examinations. In addition, search reports which are annexed to the examination report often cite a prior application or registration by the same applicant. Further, non-subsisting marks are often cited in the search report, leading to a presumption that the examined mark cannot move on to the publication or advertisement stage. In many cases this is because the mark's status has not been updated on the Trademarks Registry website, despite an order having been passed that the mark should be treated as abandoned, refused, removed or not renewed.

When an objection on absolute grounds of non-distinctiveness is issued, the examiner does not always provide a clear explanation. This can lead to the applicant making assumptions and submitting arguments which may be irrelevant, potentially causing further delays. Examiners should state clearly whether the mark is descriptive of goods or laudatory, or whether it is being objected to on the grounds of non-distinctiveness (under Section 9 of the Trademark Act).

Is Madrid Protocol working?

Since India signed up to the Madrid Protocol, a number of international applicants have opted for this route. In 2013 India was designated in 1,889 applications. In 2014, this number increased to 7,860. The system is gaining traction, notwithstanding its shortcomings in terms of central attack (within the first five years of basic registration). However, a number of such applications have also encountered refusals or objections from the registrar, which must then be countered through local representation. Thus, rights holders are advised to select a local agent in advance so that any objections can be dealt with in a timely manner, given that the World Intellectual Property Organisation gives applicants only one month in which to respond to such notifications. Considering the high percentage of refusals, it also makes sense to check the registrability or availability of a candidate mark before applying or designating India.



Ranjan Narula
Managing partner
rnarula@rnaip.com

Ranjan Narula is the managing partner of RNA Intellectual Property Attorneys, a specialist IP firm that he founded in 2004. He has over 22 years of 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 advises rights holders on brand management issues and provides strategic advice on IP clearance, protection and enforcement.

Tips for brand owners

Indian trademark law allows marks to be filed and registered on the basis of intent to use. Thus, a brand owner need not show actual use of the mark before registering it, provided that use can be demonstrated within six months of registration.

When it comes to renewals, it is not necessary to provide an affidavit with evidence of use of the mark in India. Thus, marks can be renewed on the basis of a request for renewal accompanied by official fees.

While it is not permitted to register class headings as provided in the Nice Classification, a wide specification of goods can be applied at registration.

The Trademark Office database is available online and rights holders can check the availability of a mark and assess the risk of using and registering it.

The online sale of goods is sufficient to claim use of the mark in India, even if the online store is located outside India, provided that the goods in question are available for sale to customers in India.

Recordation of a licence with the Trademark Office is not mandatory. In other words, the rights holder can enter into a licence agreement in writing and such use will accrue to its benefit even if the licence is not registered with the authorities.

There are no restrictions on the amount of royalties that can be paid to a licensor or a joint venture partner for the use of trademarks by an Indian partner or company.



Rajiv Suri
Partner
rsuri@rnaip.com

Rajiv Suri is a partner with RNA Intellectual Property Attorneys. He has more than 20 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.

With regard to the assignment of marks in India, it is necessary to specify the following in the assignment deed:

- whether the assignment is with the business's goodwill;
- the actual monetary consideration – the expression 'for valuable consideration' is not acceptable; and
- the date on which the assignment is effective.

A registered mark can be cancelled on grounds of non-use if it has not been used in India for a continuous period of five years up to a date three months immediately preceding the filing of a cancellation application. The relevant date for calculation of five years is the date on which a mark was physically entered in the register – that is, the date which appears as the sealing date on the registration certificate.

To sum up, India is providing a better atmosphere and infrastructure for trademark prosecution, even though it faces significant challenges in this area. The most critical aspect remains to eliminate the backlog. Hopefully, the Trademark Office will continue its efforts to reduce the average examination period for applications, thereby providing rights holders and practitioners with a more favourable prosecution environment. Meanwhile, rights holders are encouraged to optimise their filing strategies as described above so as to avoid rejections and objections at later stages. **WTR**