

IMPORTANT CHANGES USHERED IN BY INDIA'S NEW TRADE MARKS RULES

Introduction

On March 6, 2017, the Government of India (the “**Government**”) notified the Trade Marks Rules, 2017 (the “**2017 Rules**”), which replace the Trade Marks Rules, 2002 (the “**2002 Rules**”) and revamp the regime for trade mark filings in India. The Trade Marks Rules (both, 2002 and 2017) are formulated by the Government under the Trade Marks Act, 1999 (the “**Act**”), and specify the procedure to be followed for various matters, including applying, renewing or assigning trademarks and rectification of the trade marks register. In this update, we present a snapshot of the key features of the 2017 Rules and their impact on stakeholders.

Key Features of the 2017 Rules

1. *Recognition of three dimensional marks and sound marks:* The 2002 Rules did not contain any provision explicitly dealing with the registration of three dimensional marks or sound marks. However, the 2017 Rules explicitly recognize the concept of three dimensional marks and sound marks, and permit their registration.
2. *Encouraging electronic filing and service of documents:* In line with the Government’s policy to digitize the functioning of its various departments, the 2017 Rules allow for all applications, notices, statements, documents, etc., to be submitted to the Trade Marks Registry (the “**Registry**”) electronically. In fact, by providing that the fee for making electronic applications will be 10% less than the fee for physical filings, the Government is actively encouraging electronic filings. In the same vein, the 2017 Rules also provide that the Registrar of Trade Marks (the “**Registrar**”) may, in connection with a registration application, an opposition or a registered trade mark, serve any document or communicate via e-mail.
3. *Reduction in the number of forms:* Under the 2002 Rules, there was a different form for each type of application and about seventy-seven (77) different forms in all. The 2017 Rules do away with this and have reduced the total number of forms to only eight (8).
4. *Fee reduction for “start-ups” and “small enterprises”:* The 2017 Rules explicitly recognize “start-ups” and “small enterprises,” and reduce the trade mark application fees for these entities. For regular companies, the filing rates for physical applications are INR10,000 (about US\$150); however, for “start-ups” and “small enterprises, they are INR5,000 (about US\$75). Further, the process expediting fee is INR40,000 (US\$600) for regular companies, and INR20,000 (about US\$300) for “start-ups” and “small enterprises.” Upon fulfilling the necessary preconditions, Indian, as well as foreign entities, will be eligible to be recognized as “start-ups” or “small enterprises” and avail of the reduced fee benefits.
5. *Expedited processing of registration applications:* The 2017 Rules contain provisions for expediting the completion of the registration process until the receipt of registration. This is a significant departure from the 2002 Rules, which contained provisions for expediting the registration process only until a particular stage and not all the way through.

However, it must be added that, although the 2017 Rules provide for expediting the registration process, they stop short of specifying the timeline within which the process, if expedited, must be completed. A stipulation to that effect would have given stronger teeth to this provision. Further, the fee for expediting the registration process is quite expensive, i.e., INR 40,000 (about US\$600) in regular cases, and INR20,000 (US\$300) for “start-ups” and “small enterprises.” This seems to be deliberate so as to ensure that the Registry is not saddled with an unmanageable number of registration applications that have to be treated under the expedited process.

1. *Conferring powers on the Registrar to determine “well-known” trademarks:* Proprietors who believe that their trademarks are “well-known” to a substantial segment of the public who use their goods or services may now apply to the Registrar for having their trademarks determined as “well-known” trademarks. After considering relevant factors, if the Registrar comes to the conclusion that the trademark for which a determination request has been made is indeed a “well-known” trademark, the Registrar can place the trademark on the list of “well-known” trademarks. “Well-known” trademarks will enjoy a greater degree of protection as compared to other trademarks. The fee for obtaining such a determination is INR100,000 (about US\$1500).

This feature of the 2017 Rules is particularly significant because, earlier, there was no provision whereby trademark proprietors could approach the Registrar purely for having their trademarks declared as well known. Any recognition of a trademark as a “well-known” trademark would typically occasion only when a dispute touching the infringement of such a trademark had been brought before a court.

Notwithstanding the positives of this provision, reputed academics in the field of intellectual property law apprehend that this provision may be misused by high-handed proprietors who may influence the Registry into declaring their trademarks as “well-known” trademarks despite their non-deserving nature. They contend that standards for conferring the “well-known” status, which hitherto were set quite high by the courts, may be watered down.

1. *Hearings through video conferencing:* The 2017 Rules allow for hearings in connection with proceedings under the Act to be held through video conferencing. No corresponding provision existed under the 2002 Rules. This provision would be welcomed by one and all as it saves the time and cost involved in travelling and attending hearings physically.
2. *Reforms in opposition proceedings:* The number of adjournments in opposition proceedings i.e., proceedings aimed at opposing an application for registration, has been capped at two (2). Further, the gap between each adjournment has been capped at thirty (30) days. Furthermore, provisions dealing with extensions for filing evidence have been removed, and if either party in the proceeding, i.e., the opponent or the applicant for registration, fails to file its evidence within the prescribed timeline, the Registry shall deem that the party so failing has abandoned its opposition or application, as the case may be. In case a party does not wish to file any evidence, it must, within the prescribed timeline, intimate the Registrar and the other party that it does not wish to do so, but only rely on its written pleadings. The time limit for the opponent to furnish its evidence is two (2) months from the completion of the immediately preceding stage in the proceeding. Similarly, the time limit for the applicant is two (2) months from the date on which it receives copies of the evidence filed by the opponent or is intimated that no evidence will be adduced by the opponent.

Opposition proceedings incessantly delayed the registration of a trademark. However, now, with only two (2) adjournments available to each party and the mandatory adherence to time limits in connection with evidentiary filings, it is expected that these proceedings will conclude

quickly and not unduly hold back the registration process.

1. *Increased fees:* In comparison to the 2002 Rules, the 2017 Rules prescribe significantly higher fees for various types of applications. For instance, the fee that is charged on a trademark registration application in a particular class has been increased from INR4,000 (about US\$60) to INR10,000 (about US\$150), and is INR9,000 (about US\$135) in case the application is made electronically. Similarly, for renewing a registered trademark, the fee has been enhanced from INR5,000 (about US\$75) to INR10,000 (about US\$150), and to INR9,000 (about US\$135) in case the application is made electronically.

Our Comments

The 2017 Rules are forward-looking and progressive. The adoption of modern technology (viz., e-filings, video conferencing for hearings, etc.) will speed up the system as a whole and is particularly commendable. Further, the fee concessions provided to “start-ups” and “small enterprises” is another laudatory measure. Furthermore, the provisions on reduced adjournments, timely filings and expeditious evidence taking will definitely reduce the backlog of pending applications.

In conclusion, despite increasing the fees for filings, the 2017 Rules are a step forward towards building a more sophisticated trademarks regime in India. The 2017 Rules will provide a marked boost to India’s rankings on the “Ease of Doing Business” indicator, and will make India a more business-friendly jurisdiction.