

The Trade Marks (Amendment) Bill, 2009

An Overview

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With the introduction of the TM Amendment Bill, 2009, the benefits of Madrid Protocol, which enables the nationals of the Member countries of the Protocol to obtain protection of trade marks within the prescribed period of 18 months by filing a single application with one fee and in one language in their country of origin, will be available to Indian nationals who seeks an international registration in different countries. The Author analyses the different provisions of the Bill and emphasizes that the amendment will simplify the trade mark registration procedure currently prevalent in India.

The Lok Sabha on 18th December, 2009 gave its assent to the Trade Marks (Amendment) Bill, 2009. Next, in the process is that the bill will be sent to the Rajya Sabha and once it is passed by the Rajya Sabha the bill becomes an Act of Parliament. Thereon, upon notification by the Central Government the Act will come into force.

The crux of the Amendment Bill is aimed at simplifying the trade marks registration procedure currently prevalent in India. Currently, for seeking protection of a trade mark in different countries, separate applications for registration have to be filed in each and every country, often in different languages and by paying different fees. Once the Act is notified, Indians and Indian companies seeking global trade mark registration can do so vide a single application with enhanced reduction in cost which would be made possible by India's accession

to the Madrid System for the International Registration of Trade Marks which is a cost-effective system for International Registration of Trade Marks, which enables nationals of its member countries to obtain trade mark registration within 18 months by filing a single application with one fee and one language in their country of origin. This in turn is transmitted to other designated countries.

The need for the Trade Marks (Amendment) Bill 2009 came forth in February 2007 with the Union Cabinet giving its principle approval for India's accession to the Madrid System concerning the International Registration of Marks. At that time the Cabinet also gave its nod to initiate action for the accession and agreed to introduce a Bill in Parliament.

The Madrid System for International Registration of marks may be used only by a natural person or a legal

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entity which has a real and effective industrial or commercial establishment in, or is domiciled in, or is a national of, a country which is party to the Agreement or the Protocol, or who has such an establishment in, or is domiciled in, the territory of an Intergovernmental organisation which is a party to the Protocol, or is a national of a member state of such an organisation.

The Madrid System which provides one single procedure for the registration of a mark in several territories is governed by two treaties i.e. the "Madrid Agreement Concerning International Registration of Marks" of 1891 and "Protocol Relating to the Madrid Agreement Concerning International Registration of Marks" of 1996. Both the agreement and the protocol deal with the International System for Registration of Trade Marks and are administered by the World Intellectual Property Organisation (WIPO). Any country, which is a member of the Paris Convention, 1883 that is also administered by WIPO, can accede to either the Madrid Agreement or the Madrid Protocol or both.

India has decided to accede to the Madrid Protocol adopted in 1989 which introduced certain new provisions into the Madrid System aimed at removing difficulties which prevented certain countries from adhering to the Madrid Agreement, 1891. Some of the major differences are that under the Protocol International Registration of Trade Marks can be based upon national applications or national registrations whereas under the Agreement, an international application can be based only upon a registration in the Office of origin. The Madrid Protocol also bestows the freedom on contracting states to elect for a period of 18 months or an

even longer period in the case of opposition within which to declare whether protection can be granted to the mark in its territory. The Madrid Agreement this period is limited to one year.

Madrid registrations enjoy the right of priority provided for by Article 4 of the Paris Convention. Therefore, the Madrid System enables trade mark owners to benefit from the priority attached to their national filings without instituting separate national filings.

The amendment provides for the recognition of international priority under the gambit of Indian Trade Mark law as required by the Madrid System. The date on which an application is filed with the Applicant's national office is considered as the date of the Madrid Registration provided WIPO receives the application within two months of its being filed and the application meets the requirements set forth in the Common Regulations. If the application is not received by WIPO within two months, or if it is not complete, the Madrid registration bears the date on which the application is received or made complete.

Under the Madrid Protocol, unlike the Madrid Agreement, an International Registration of Trade Mark remains dependent on the mark registered or applied for in the office of origin for a period of five years from the date of its registration/application. If, and to the extent that, the basic registration ceases to have effect whether through cancellation following a decision of the office of origin or a court or voluntary cancellation or non-renewal within this five year period, the International Registration of Trade Mark will no longer be protected. Similarly, where the International Registration of

Trade Mark was based on an application in the Office of origin, it will be cancelled if, and to the extent that, the application is refused or withdrawn within the five year period, or if, and to the extent that, the registration resulting from that application ceases to have effect within that period. This is often referred to as "central attack". After the expiry of five years, the International Registration of Trade Mark attains a status independent of the basic registration or basic application.

The advantage for Applicants is that the cancellation or limitation of application/registration under the Protocol does not necessarily cost the trade mark owner its rights and priority. The Protocol incorporates a mechanism called "transformation" which in a way mitigates the effects of "central attack". In case of an International Registration of Trade Mark which is cancelled at the request of the office of origin, for instance owing to the refusal of the basic application or cancellation of registration within five years from the date of the International Registration of Trade Mark, the same may be transformed into national (or regional) applications in the respective contracting parties in which the International Registration of Trade Mark had effect, each benefiting from the date of the International Registration of Trade Mark and where applicable, its priority date. The Madrid registration is valid for 10 years under the Protocol further renewable for terms of 10 years which can be also done through a single filing with WIPO.

All changes subsequent to the International Registration of Trade Mark such as change in name and/or address of the holder, total or partial change in ownership of the holder or a transformation of the list

of goods and services in respect of all or some of the designated contracting parties may be recorded and have effect by means of a single procedure with the International Bureau.

India's accession to the protocol entailed the changes in the law and the new bill is in line with the provisions in the Madrid Protocol. The amendment includes a new Chapter IV A in the Indian Trade Marks Act which sets out the provisions for protection in India of trade marks registered globally under the Madrid Protocol. This chapter facilitates the processing and registration of international applications from India and those received from the International Bureau of WIPO. The requirements of maintenance of records relating to the International Registration of Trade Mark and transmittal of information to International Bureau of WIPO have also been addressed.

The pertinent amendment is the inclusion of the prescribed time limit for registration of trade marks i.e. 18 months which has been brought by amending the existing Section 23 of the Act. This brings about adherence to the Madrid Protocol, which stipulates that if an office of a contracting party does not notify a refusal within this 18 months time limit, the mark will automatically enjoy protection in the contracting party in question.

The amendment also removes the discretion of the registrar of trade marks to extend the time for filing notice of opposition by third parties. The earlier provision provided for a three months period from the date of publication which was extendable by one month. The amendment has provided for a time limit of four months, which is not extendable.

The Section 45 of the existing Act which deals with assignment and

transfer of ownership of trade marks has also been amended. Earlier, the Applicants, along with the application to record transfer, had to provide the proof of title. After the current amendment, the Registrar may require the Applicant to furnish evidence or further evidence in proof of title only where there is a reasonable doubt about the veracity of any statement or document furnished.

Amongst other changes that have been approved is the omission of

Chapter X of the Act which dealt with special provisions for textile goods which have now become redundant. In the related context, a proposed amendment to the Trade Marks Rules is also being promulgated which is to recognise the current classification of goods under the 9th edition of Nice Classification. This would introduce further new classes of services. The current 9th edition of Nice Classification comprises 34 classes for goods and 11 classes for services.