

MARCH 2017

NEW TRADE MARKS RULES IN INDIA

1. INTRODUCTION

The Government of India has notified¹ the Trade Marks Rules, 2017 (the “**New Rules**”) under the Trade Marks Act, 1999 (the “**Trade Marks Act**”) on 6th March 2017. The New Rules have replaced the Trade Marks Rules, 2002, which were earlier in force.

The New Rules have brought in significant changes in the trademark practice and procedures in India. The key reforms under the New Rules are highlighted below.

2. KEY REFORMS

2.1 Better organization of application forms

Under the New Rules, the number of trademark forms has been reduced from 74 to 8. Applications of similar nature have been classified under one type of form.²

For example, applications for registration of single-class trademarks, multiclass trademarks, conventional trademarks claiming priority, collective trademarks, certification trademarks and series trademarks have now been classified under just one form (From TM-A).

2.2 ‘*Small Enterprise*’ and ‘*Startup*’ recognized

The New Rules have introduced the concepts of a *Small Enterprise*³ and a *Startup*⁴ under Indian trademark law for the purpose of discounting official fees payable by small entities as opposed to those payable by large entities in certain cases.

¹ Notification no. 3 dated 06/03/2017 issued by the Department of Industrial Policy and Promotion of the Ministry of Commerce and Industry, Government of India

² Second Schedule of the New Rules lists the requests that could be made under each Form type.

³ Under Rule 2(1)(v) of the New Rules, a *Small Enterprise* is defined as:

- (i) in case of an enterprise engaged in the manufacture or production of goods, an enterprise where the investment in plant and machinery does not exceed the limit specified for a medium enterprise under Section 7(1)(a) of the Micro, Small and Medium Enterprises Development Act, 2006; and
- (ii) in case of an enterprise engaged in providing or rendering of services, an enterprise where the investment in equipment is not more than the limit specified for a medium enterprise under Section 7(1)(b) of the Micro, Small and Medium Enterprises Development Act, 2006.

⁴ Under Rule 2(1)(x) of the New Rules, a *Startup* is defined as:

- i. An entity in India recognized as a startup by the competent authority under Startup India Initiative;
- ii. In case of a foreign entity, an entity fulfilling the criteria for turnover and period of incorporation / registration as per Startup India Initiative, and submitting declaration to that effect.

The definitions of these terms under the New Rules are based on their definitions under the Micro, Small and Medium Enterprises Development Act, 2006⁵ (the “MSME Act”) and the Startup India Initiative of the Government of India.

2.3 Substantial increase in official fees⁶

The official fee for filing of a trademark application by an *Individual, Startup and Small Enterprise* in one class of goods or services has been increased from INR 4,000 to INR 5,000 (with a 10% reduction (i.e., INR 4,500) for filing an application for registration *via* trademark e-filing system).

The prescribed official fee for all other kinds of applicants, which essentially means large entities, is INR 10,000 for physical filing and INR 9,000 (with applicable 10% reduction) for e-filing of an application for one trademark in one class.

Similarly, the fee for expedited processing of application for the registration of a trademark varies from INR 20,000 (in case of *Individual, Startup and Small Enterprise*) to INR 40,000 (for all other kinds of applicants).

The revised costs for certain other key actions under the New Rules are as follows:

- (a) filing an opposition or a rectification or a counter statement thereto – INR 3,000;
- (b) renewal of a trademark – INR 10,000;
- (c) recording a subsequent proprietor in case of assignment or transfer of a trademark post registration – INR 10,000;
- (d) adding a person as a registered user – INR 5,000; and
- (e) seeking extension of time, requesting amendments, or requesting a certified copy of the registration certificate – INR 1,000

2.4 Emails officially become a part of *Address for Service*

For all dealings with the Trade Marks Registry, applications are required to contain under *Address for Service in India* a valid e-mail address besides a postal address. The Registry may serve official notices and documents *via* emails, which would be considered valid service under the New Rules.⁷

2.5 Expedited processing of applications for registration

Under the New Rules, it is possible to file a request for expedited processing of an application. This request, if allowed, will extend up to the registration of a trademark, essentially speeding up examination, publication as well as opposition processes in the application.⁸

In order to process applications in an expedited manner, the system of conducting hearings through video-conferencing or through any other audio-visual communication devices has been introduced.⁹

⁵ Section 7 in the MSME Act classifies enterprises into micro, small and medium enterprises. A medium enterprise is an enterprise whose investment in plant and machinery, in case the enterprise is engaged in the manufacture or production of goods, does not exceed INR 10 crores, and whose investment in equipment, in case the enterprise is engaged in the provision of services, does not exceed INR 5 crores.

⁶ First Schedule of the New Rules

⁷ Rule 18 of the New Rules

⁸ Rule 34 of the New Rules

⁹ Rule 115 of the New Rules

2.6 Modifications in oppositions and rectifications processes

Provisions for seeking extensions of time in filing evidence in opposition and rectification matters have been removed. Similarly, the number of hearing adjournments a party can seek in such matters has been limited to two.¹⁰ This is to ensure speedy disposal of contested matters at the Trade Marks Registry.

Additionally, the New Rules also prescribe specific costs that may be imposed by the Registrar if a party in a contested matter fails to continue with the matter after the initial stage.¹¹

2.7 Register of well-known trademarks at the Trade Marks Registry

The New Rules address the need for having special records of well-known trademarks. Under the Trade Marks Act, the protection afforded to a well-known mark against any kind of misuse is not limited to one category in which it operates commercially, but extends to all classes of goods and services. Provisions¹² are laid down for determination of a well-known trademark by the Trade Marks Registry. In particular:

- (a) any person may request the Registrar to determine a trademark as a well-known trademark by paying an official fee of INR 1,00,000;
- (b) while determining the trademark as a well-known mark, the Registrar may consider the provisions of Sections 11(6) to 11(9) of the Trade Marks Act, call for documents if necessary and also invite objections from third parties;
- (c) in case the trademark is determined as well-known, the same is required to be published and then included in a register of well-known trademarks, to be separately maintained by the Trade Marks Registry; and
- (d) the Registrar may also remove a well-known mark from the register of well-known marks if the registration is not justified at a future time.

IndusLaw View:

Until recently, trademark registration in India was a long and elaborate process. The New Rules aim to simplify the process. With the New Rules in force, trademark registrations should be completed much quicker than ever before.

The New Rules also afford extra protection to well-known marks by providing a separate register for the benefit of the owners of well-known and famous brands, who believe their brand names (either Indian or international) deserve protection as famous marks in India.

The New Rules are meant to compliment the Digital India Campaign of the Government of India. They also address the call of the global trademark community of having more effective, hassle-free and speedy practice and procedures.

The practical implementation of the New Rules has already begun and the positive effects for trademark registration and protection should soon be visible.

Authors: Mr. Suneeth Katarki, Ms. Aditi Verma Thakur and Ms. Harshitha Vasanth

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¹⁰ Rule 50 of the New Rules

¹¹ Fourth Schedule of the New Rules

¹² Rule 124 of the New Rules

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