

# INTELLECTUAL PROPERTY AND TECHNOLOGY LAW UPDATES

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#### **Denial of Equitable Relief**

#### By Himanshu Sharma

#### **Introduction**

The black letter of the law was not always regarded as the delivery of justice; there were numerous occasions wherein justice was denied due to the technicality of law and hence a new form of justice delivery came into existence which was more focused on equity rather than the codified law.

The principle of equity was developed in the thirteenth and fourteenth century, when the judges of the English courts were developing the common law system which was not based upon the codified law but based upon the principles of laws developed in the precedent cases. The pleadings in these cases required so many intricacies that it was not easy for a common man to qualify his case fit for adjudication. Their valid complaints were rejected due to failure to comply with technicality of pleadings and hence finally the aggrieved person had to move to King regarding the redressal of their cause. Taking into account the problem, the King referred these matters to a Royal Court, known as Chancery which had the power to settle the dispute and order relief according to its conscience.

#### **Equitable relief and its denial:**

Equity means the power to do justice based upon discretion of the adjudicator and it could be relief based upon the particular circumstances of the matter in hand. Equitable reliefs are Court ordered actions directing any person to do or refrain from doing anything, in order to provide relief to a party in an action brought by him against a person.

A person approaching a court seeking relief in his matter is bound to specify all the facts related to the case truthfully and any hindrance on his part would likely take away his right of seeking relief. Any dishonesty on the part of seeker of justice would make his case weaker and will be considered by the court against him while delivering the justice. In cases of trademark infringement, equitable relief is sought from the court such as injunction, account of profits etc. Hence it is required that the plaintiff should present his case as honestly as possible and should not make court look into the things which are either not substantial to the cause nor they are specifically be taken as suppression of material facts.

Equity is said to work on the conscience of the parties to a matter and either party would be liable for the consequences if their conscience is not clear. The application of equity in the result is bound to happen in a case where applicable law is certain about a particular situation but the circumstances and the material fact are such that equity overtakes the black letter of law due to certain act of the either party. The Court while applying equity is bound to appropriate the law in such a manner that it should not be taken against the applicable law but can be seen as the discretion of the Court in light of a particular situation.

In order to get equitable relief, a party is required to come with clean hands before the Court and hence the Doctrine of Equitable relief provides the relief to a party in dispute who come with clear conscience and has not hidden any material fact from the Court.

## Types of equitable relief in trademark cases:

The equitable relief in case of Trademark Infringement can be of any of the below:

- Injunction
- Specific performance
- Account of profits
- Rectification
- Declaratory relief
- Damages

In order to demand equitable relief from a Court in an infringement case, the plaintiff is required to be honest about the facts of the case and should make sure that anything which is of the tiniest of importance should be brought to the notice of the Court. Failure to do so would not only cause his case becoming weak but moreover it will also lead to the denial of relief due to this reason. There are numerous occasions where Courts denied the relief to the plaintiff even though the plaintiff was sure regarding the codified law being on his side.

In <u>Warner Bros. Entertainment Inc. & Anr Vs. Harinder Kohli & Others (155)</u> (2008) DLT 56), the Honorable High Court of Delhi, held that

"It is the settled position both in law and in equity that a deliberate suppression of material facts, viewed singularly or coupled with blatantly false assertions, so far as the grant of equitable relief of injunction is concerned, is fatal. The plaintiffs in the instant action have attempted to lightly brush off their intentional non-disclosure by feigning oversight, contending that they had nothing to gain from the aforesaid non-disclosure. What has been lost sight of is

that it is a cardinal principle of law that a person who seeks the equitable relief of injunction must come to the Court with clean hands."

While discussing the principle of equitable relief in case of <a href="Paramount Surgimed Limited Vs Paramount Bed India">Paramount Bed India</a>
<a href="Paramount Bed India">Private Limited & Ors (CS(COMM) 222/2017)</a>, the Honorable High Court of Delhi, held that

"the submission of the plaintiff that it was only in February, 2017 that he learnt about the activities of the defendant is clearly a wrong statement and the plaintiff is not entitled to any equitable relief from this Court..... the newspaper articles as also the advertisement campaign of the defendants shows that he has been recognized as a name as way back as in the year 2007 and the plaintiff was well aware of his presence and this is clear from the fact that he has filed his opposition to the application seeking registration of the defendant as way back as in the year 2009; the suit filed in 2017 averring that it was only in February, 2017 that the plaintiff learnt about the presence of the defendant in the market is a clear case of suppression of material facts for which the plaintiff is not entitled to any equitable relief."

An equitable relief is the byproduct of the honest and bonafide submission and if a party is not honest while making submission then he should be more worthy of rejection rather than the relief. In this case, even though the Trademark Law provides that a relief should be provided to the registered proprietor against anyone who is using a similar trademark but the fact remains that although the registration of the plaintiff's

trademark is valid but the material fact regarding the knowledge of the Defendant mark, was concealed by the Plaintiff and applying the doctrine of equitable relief, the Honorable High Court held that concealment of fact regarding the knowledge about the Defendant's trademark is against the equity hence the Plaintiff is not liable to get the equitable relief from this Court.

The concealment of fact regarding the knowledge about the Defendant's trademark is also treated as acquiescence in Indian Trademark Act and hence same is a case of denial of the equitable relief. The principle of acquiescence applies where the legal proprietor is:

- (i) sitting by or allows other(s) to invade the rights and spending money on it;
- (ii) of a conduct inconsistent with the claim for exclusive rights for trademark, trade name, etc.

In case of acquiescence, the registered owner has a legal right to stop others from using a similar trademark but if he keeps sitting on his rights and allow others (bonafidely) to use a similar trademark, then same is against the equity and hence the Proprietor forgoes his rights to take action against the user after a specific period of time.

In case of Milment Oftho Industries and Others Vs. Allergen Inc. 2004 (28) PTC 585 (SC), the plaintiff had a registered mark and the defendant was un-registered yet the business of the defendant having grown over the years and the plaintiff not having objected to the same, it was a clear case of acquiescence and the interlocutory injunction had been refused to the said plaintiff.

#### **Conclusion:**

A relief in a case may include both legal as well as equitable claims and a person may ask the Court in his prayer for a hybrid award containing both claims. But in order to prevail regarding the equitable claim, the plaintiff is required to come with clean hands and any misdeed on his part would lead to the loss of the equitable relief to him as is the case of acquiescence in case of Trademark infringement.

## Zombie trademarks: What is dead may never die

#### **By Shrabani Rout**

#### **Introduction**

Zombie trademarks (also known as ghost trademarks, orphan brands etc) can be defined as previously abandoned marks that have been newly revived that still enjoy a measure of consumer recall, protection, goodwill and loyalty. Under trademark law, a trademark is presumed to be dead/abandoned, once its owner ceases to use that trademark to identify his goods and services. This practice is also known as abandonment of trademarks usually takes place if an owner ceases to use his trademarks or fails in successful prosecution of his trademark application.

It is pertinent to mention here that abandonment alone however does not create a zombie trademark. The cause of creation of a zombie trademark is widespread consumer recognition and residual goodwill. Although the goods and services are no longer sold under the mark, consumers might still remember it with a nostalgic feeling of the good old days and be more favorably disposed towards the brand in general. One more element required however for a zombie trademark to exist is that the trademark must be adopted by someone other than the original trademark owner and must be used in conjunction with the similar or same products that the original owner was using them for.

When it comes to zombie trademarks and their exploitation, there are three parties involved.

- 1. The original trademark owner;
- 2. The party that is adopting the abandoned trademark; and

3. The consumers buying the products and services.

Although prima-facie it might seem that the original owner is not concerned about his trademark since he has abandoned it and is no longer using it, the owner might not necessarily be happy with the idea of another party exploiting his trademark along with the residual goodwill that the original owner has in fact generated over a period of time with his investment.

Parties that revive abandoned marks are actually banking upon the residual goodwill and consumer recognition that is associated with the abandoned mark. They know that the new products that will be launched under the old trademark will immediately become more appealing and save them the energy and investment in establishing their own brand and goodwill. 10n the other hand, the public is affected because use of the zombie trademark by the new owner could lead to deception. There is no requirement that the new owner of the trademark sell products or services under the mark that are of the same quality as those sold by the original trademark owner. Yet, it is possible that the consuming public may assume that the original owner has reintroduced its products or services under the mark and that they will be of equal quality to those provided by the original trademark owner. As a result, consumers may purchase products and services based on the mistaken belief that they will acquire products or services of a quality consistent with their past experience with the brand.

#### Legal standpoint in U.S

Abandonment of a trademark by a previous owner is the key to the existence of a zombie

<sup>&</sup>lt;sup>1</sup> Robert P. Felber, Jr., and Julian Bibb, IV, *Night* of the Living Trademark: Zombie Trademarks in the United States, available at < https://www.inta.org/INTABulletin/Pages/Zombie\_Trademarks\_7118.aspx >

trademark. Various precedents laid down by the Courts show that a zombie trademark cannot exist just by mere abandonment of a trademark. There should also be evidence that the previous trademark owner has no intention to further commence use of the trademark.

This principle was highlighted in the case of *Crash Dummy Movie vs. Mattel Inc*<sup>2</sup> wherein the Federal Court held that although the company hadn't used the trademark "CRASH DUMMIES" for a considerable period of time, they had produced evidence that they intended to commence use of the mark again. Intent being the key word here, Mattel Inc. produced heaps of evidence including an agreement with KB toys about producing a line of Crash Dummy toys. The Court ruled in the favour of Mattel Inc.

The judgments regarding zombie trademarks and their use are heavily fact driven and evidence dependent in nature. The burden of proof is entirely on the previous owner to show that he intended to reuse the mark or that the abandonment was due to valid reasons at that time.

Another case in point is *General Motors Corp. v. Aristide & Co., Antiquaire de Marques*, 87<sup>3</sup> wherein the plaintiff General Motors tried to restrain the defendant from reviving and using the mark LASALLE for motor vehicles. The Court rejected the contentions of the plaintiff and held that since they hadn't used the marks in 65 years and evidenced no intent to reintroduce any vehicle under the mark, they could not stop the defendant from registering the trademark.

#### **Legal standpoint in India**

In India, there is no statutory recognition of zombie trademarks. A recent decision of the Delhi High Court in *Boman R Irani vs. Rahid Ahmad Mirza*<sup>4</sup> has dealt with the aspect of Zombie Trademarks.

In this case, the plaintiff filed a suit to restrain the defendants from using the mark 'YEZDI' with respect to footwear. They contended that the plaintiff had been using the mark with respect to motorcycles since 1969 and had enviable goodwill gained among consumers and although the manufacturing of motorcycles of the YEZDI brand was stopped, the goodwill continued to subsist through internet presence, biker gangs etc. The plaintiffs also iterated that they were in the process of rebranding and fully intended to reuse the trademark YEZDI. The defendant argued that the trademark hadn't been used in over 4 decades and therefore the plaintiff had absolutely no rights over it.

The Court however struck a balance while pronouncing the judgment and held that although the plaintiff hadn't been using the mark, the defendants were injuncted from claiming that their footwear under the YEZDI trademark was in any way inspired or associated with YEZDI motorcycles.

#### Conclusion

A Zombie trademark can be fatal to a previous owner's reputation if it falls in the wrong hands. There is no doubt that one of the most important aspects of trademark law is commercial exploitation and use. There is no point in registering a trademark, using it and then abandoning the same without any valid reason. Owners of trademarks that have widespread consumer recognition and considerable goodwill should think carefully before abandoning those marks. If it is

<sup>&</sup>lt;sup>2</sup> 601 F.3d 1387,1391 (Fed.Cir.2010)

<sup>&</sup>lt;sup>3</sup> U.S.P.Q.2d 1179 (T.T.A.B. 2008)

<sup>&</sup>lt;sup>4</sup> CS(COMM) No.1021/2016

determined that the original owner actually abandoned its mark, the owner no longer has legal rights to the mark to enforce and the mark becomes fair game for another to adopt for products and services that may be the same as, or similar to, those offered by the original owner.

The persons who use abandoned marks to further their own brand value must also exercise utmost caution while doing so - lest they are accused of falsifying and falsely applying trademarks under Section 101 of the Trade Marks Act,1999.

## No copyright lies with any work registrable under the Designs Act, 2000

"Holland Company LP & Anr. vs. S.P. Industries"

By Suchi Rai

#### **INTRODUCTION:**

Delhi High Court recently disposed-off the suit filed by the Holland Company LP seeking injunction to restrain S.P. Industries from manufacturing or selling Automatic Twist Lock [ATL] and spare parts in 3-D form, evolving from the 2-D artistic work of Holland Company LP in the form of industrial drawings.

Plaintiff sought an interim injunction restraining defendant from manufacturing a product on the grounds that it was infringing the plaintiff's copyright on its engineering drawings. The plaintiff Holland Company LP and its Indian Partner, claimed to have invented "automatic twist locks" – ATL, to help secure containers on the railcars. The system is used by the Indian Railways which put out a tender for procurement of the ATL systems.

#### **RELEVANT LAW:**

#### Section 15 in the Copyright Act, 1957

As per the Section 15 of the Copyright Act, 1957, there is a special provision regarding copyright in designs registered or capable of being registered under the Designs Act, 2000. The copyright shall not subsist in any design which is registered under the Designs Act, 2000 and further the copyright in any design, which is capable of being registered under the Designs Act, 2000, but which has not been so registered, shall cease as soon as any article to which the design has been applied has been reproduced more than fifty times by an

industrial process by the owner of the copyright, or, with his license, by any other person.

In this regard, as soon as any article to which a design has been applied has been reproduced more than 50 times by an industrial process, it ceases to have any copyright on the same. Meaning thereby the author will lose any protection or right over the creation as the owner has not opted for Design Registration and also has reproduced the article bearing the design more than 50 times by an industrial process.

#### FACTS OF THE CASE5:

The suit was filed by Plaintiff 1-Holland Company LP along with its exclusive licensee in India Plaintiff 2- Sanrok Enterprises. The Plaintiffs deals in the railways supply industry car/wagon components, manufactured and supplied the Indian Railways with ATL, which is a system for securing cargo containers to a support. The Plaintiffs also claimed to have a copyright over the industrial drawings of the ATL and spare parts thereto. Plaintiff 2 is the exclusive licensee of the Plaintiff no. 1 in India for manufacturing, selling, marketing servicing ATL and spare parts. The Plaintiffs had previously supplied the drawings of the ATL device and its spare parts to Indian Railways, who thereafter used it on its BLC Wagon.

The Eastern Railway, Sealdah Division then floated a tender for carrying out the repairs, replacement of spare parts and the servicing of the defective parts for the ATL devices for BLC Wagon.

S.P. Industries ('Defendant') successfully outbid the Plaintiffs, and received the ATL repair contract. The Plaintiffs claimed that the

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<sup>&</sup>lt;sup>5</sup> CS(COMM) 1419/2016

Defendant do not have the requisite know-how to replace and repair the spare parts of the ATL devices which was earlier supplied to the Indian Railways by the Plaintiffs. That since Plaintiff have created the ATL devices, they have the right to maintain and sell the spare parts of the same and no other party has any right over the same. Accordingly, the said suit was instituted for permanent injunction.

The Hon'ble High Court of Delhi vide its order dated May 20, 2014, had dismissed the application filed by the Plaintiffs under Order 39 Rules 1 & 2 of the Code of Civil Procedure, 1908 seeking permanent injunction against the Defendant. Aggrieved by the said order, the Plaintiff filed an appeal bearing no. CS (COMM) 1419/2016 wherein vide order dated September 12, 2014, the Hon'ble Court was directed to decide the application afresh.

#### PLAINTIFFS' CLAIMS6:

- The spare parts being the subject matter of the above-mentioned tender are components of ATL devices manufactured and supplied by the Plaintiffs, who also claim to have a patent over the said device (an application for registration of the patent has been moved and published) and copyright over the industrial drawings of the ATL and its spare parts.
- Plaintiffs are the first owners of the ATL devices and spare parts thereof, and since the Plaintiffs possess copyright and patent over the same, no third party has the right to sell, manufacture, offer to sell or advertise ATL devices or spare parts thereto.
- Plaintiffs held that the Defendant has intentionally, deliberately, knowingly and willfully offered its substandard

- products and services for use in Indian Railways.
- Considering Section 2 (c), Section 13 (1) (a) and Section 14 (c) (i) (B) of the Copyright Act, 1957, it shows that a copyright exists in engineering drawings/technical drawings under the category of Artistic Works, which includes the exclusive right to depict the drawings in three dimensions. such engineering drawings/technical drawings need not possess any artistic qualities to claim protection under Section 2 (c) of the Copyright Act, 1957.
- ➤ The Designs Act, 2000, features "appeal to the eye alone" and it does not apply to the "functional" features. It is submitted that the Designs Act, 2000, therefore, is not applicable on the industrial/engineering drawings and technical drawings.
- Further that the owner neither relinquished nor entered in public domain its copyright, it cannot be said that the work has entered in public domain.
- ➤ Claim of the plaintiffs is that the drawings of ATL device and of its parts belong exclusively to the plaintiffs and that it is an artistic work in which plaintiffs have copyright

#### **DEFENDANT'S CLAIMS7:**

As per defendants, the industrial drawings are not an artistic work and, therefore, no copyright exists. The Plaintiffs are not the real author of the work and hence, by necessary inference, are not entitled to protection under the law. Even if it was presumed that the Plaintiffs are

<sup>&</sup>lt;sup>6</sup> CS(COMM) 1419/2016

<sup>&</sup>lt;sup>7</sup> CS(COMM) 1419/2016

- the authors of the industrial drawings of the ATL, the same are capable of being registered under the Designs Act, 2000, are exempted from the purview of the Copyright Act, 1957.
- > By virtue of Section 15 of Copyright Act, 1957, no copyright exists in any drawing or design once the production has been done more than 50 times by an industrial process using such drawing or design, and that the Plaintiffs have themselves admitted that they have supplied ATL devices to the Railways and thus by using drawing they have reproduced more than 50 articles.
- After having lost the tender, the Plaintiffs now cannot claim to have the exclusive rights to repair and replace the ATL devices which belong to Indian Railways. Further, it was contended that the Plaintiffs also cannot be said to have exclusive intellectual property right over the said drawings since these drawings have been published and are readily available in the market.
- > The defendant is not infringing any copyrights of the plaintiff rather it is acting as per the contract awarded to it by the Railways for service and maintenance of ATL.

#### **COURTS DECIDED ON THE FACTS8:**

➤ "A conjoint reading of Section 2(d) of Designs Act, 2000, Section 14(c) and 15(2) of the Copyright Act, 1957, makes it amply clear that where a design of an article is prepared for the industrial production of an article, it is a design and registrable under Designs Act and under Section 14(c), the

- author of such design can claim copyright. However, since such a design is registrable under the Designs Act, and if such design has been used for production of articles by an industrial process for more than 50 times by the owner of the copyright, or, by any other person with his permission, then such person ceases to have copyright in such design."
- "Plaintiffs had prepared engineering drawings for the purpose of production of ATL devices. The industrial drawings are, therefore, a design of the ATL device which the Plaintiffs had supplied to the Railways under a contract given to them by the Railways. The drawings of the ATL devices of the Plaintiffs, therefore, are registrable under the Designs Act. The drawings have not been registered under the Designs Act. The Plaintiffs have also not disputed the fact that while using these engineering drawings, it had used for more than 50 ATL devices by an industrial process. Therefore, it is clear that it has used these engineering drawings for more than 50 times in an industrial process. By virtue of Section 15(2) of Copyright Act, therefore, even if assuming the Plaintiffs had a copyright in these engineering drawings, it ceases to have the same."
- > "The Plaintiffs have not made the Railways a party to the suit although in the facts and circumstances of the case it is a necessary party because prima facie it is the Railways who have used the engineering drawing of the ATL devices for inviting tenders."

#### **Decision by the Court**<sup>9</sup>:

<sup>&</sup>lt;sup>8</sup> CS(COMM) 1419/2016

"For being entitled to interim injunction under Order 39 Rule 1 and 2, the Plaintiff is required to show a strong prima facie case which means that the Plaintiff is required to show that it has a right which needs protection. The Plaintiffs have failed to show any prima facie case in their favour. In the light of the same, the application of the Plaintiffs under Order 39 Rules 1 and 2 CPC stands dismissed."

## BACKING UP YOUR STARTUP BY HAVING AN IPR STRATEGY

By Shrabani Rout

Trademarks also act as an efficient commercial communication tool to capture customer attention and make the business, products and services stand out.

While developing a new idea as a product, innovators understandably invest a lot of time into the research and development of the product. They focus on building a business model, getting more and more investors to invest in the business and hoping that the product will gain an early traction in the market. What they forget is - to also have a sound Intellectual Property Protection in place before they launch their product into the market. Although people are now becoming increasingly aware about their IP rights, it is always advisable to have a sound IPR regime in place before launching products into the market.

Intellectual property refers to an invention resulting from creativity, such as new technology, brand, design, or literary and artistic works, to which exclusive rights are recognized. Because there are so many things involved in starting a business, most startup entrepreneurs tend to neglect protecting their intellectual property as it does not seem so important at the time. However, to protect one's IP to the best of their ability, one has to identify which form of IP protection would be best suited for their ideas and products.

#### 1. Trademark Registration

A new business usually has a brand name that is new and innovative in nature. The advice to the startup community is to trademark at least their name and logo in order to prevent others from ripping off the name of their company. A registered trademark will do this in two ways. First, the trademark will appear when other entrepreneurs conduct a trademark search. Secondly, if registering for a trademark fails to deter imitators then the startup at least, has a sound legal argument in Court. Thirdly, in a single brand or logo, trademarks can convey emotional attributes and messages about you, vour company. and vour company's reputation, products and services.

The Government has provided incentives to such startups to protect their trademarks by giving them a 50 percent discount in the official fees for filing a trademark application. For e.g. the official fees for filing an application for registration of a trademark of a start-up is Rs 5000 as opposed to Rs 10,000 that other enterprises have to pay. Further, the government has appointed start-up facilitators specifically for the prosecution of Trademarks application and will pay them out of their own pocket for helping Start-ups in the process of registration of trademarks.

#### 2. Patent Protection

Ideally, a startup should file for a patent at the earliest possible stage in the startup's evolution because patent protection is time-sensitive. A startup developing a new product should always apply for a patent for the product before launching it into the market. For, if a technology becomes "public knowledge" before the startup files a patent application, it will not be awarded a patent because the invention will already be known to the public.

The Government has provided incentives to such startups to protect their products by giving them a 50 percent discount in the official fees for filing a patent application. For e.g. the official fees for filing an application for grant of a patent to a start-up is Rs 4000 as opposed to Rs 8,000 that other enterprises have to pay. Further, startups are also exempted from paying professional fees to legal counsels who file trademark applications on their behalf.

#### 3. Copyright Protection

The product/industry on which the startup is working on, determines whether a copyright protection is needed or not. For instance, if the startup is a software company, it is essential that the developer assesses whether it is susceptible copyright infringement or not. whether Also. the copyrighted software/product has a long shelf life or not, has to be determined.<sup>10</sup> The answers to the aforementioned, can help decide whether it is plausible to copyright the software or not. Although obtaining a copyright is not a costly affair, but it is always advisable to copyright the product if there is a threat to the commercial exploitation of the same.

#### 4. **Domain Name Protection**

In this age of social media, a domain name is a must for any startup. A domain name is an easy-to-remember translation of an IP address, through which users can access information. By registering their brand name as a domain name, the startup can not only market their presence in the real world but also the digital world. Having a presence online ensures that the startup can reach all age groups including their target audiences and also make their products accessible from any part of the world. In India, domain names are treated at par with trademarks and therefore can also be protected as a trademark. If a registered trademark is adopted by any third party then the owner also has right under INDRP ICAAN policy to file for arbitration for the transfer of domain name similar to their trademark.

#### 5. Trade Secret Protection

A trade secret is confidential know-how that has value to the success of a business. It is any information that can be used in the operation of a business and is sufficiently valuable to afford an actual or potential economic advantage over others. A startup in the nascent stage of business development should consider using non-disclosure agreements

https://bizztor.com/intellectual-property-rightsprotection-for-startups/ when discussing sensitive and confidential information with employees or third parties, to safeguard their IP.

#### 6. Design Protection

A design under the Designs Act, 2000 is defined as features of shape, aesthetics, configuration, pattern, ornament composition of lines or colors applied to any article by any industrial process or means. The Act provides protection or registration right only to the designs that are aesthetic in nature and not dictated by a functional All startups should apply for feature. registration of all their designs well ahead of the launch of their business. Having a design protection protects the owner of the startup against another person creating a similar or identical design, even in overall impression, regardless of whether it was inspired by the registered design or created independently

Further, startups are also exempted from paying professional fees to legal counsels who file design applications on their behalf.

#### 7. Plant Variety protection

Plant varieties are protected under the Protection of Plant Varieties and Farmers Rights Act, 2001. Nowadays innovative startups, like Indigo Agriculture who create drought-resistant seeds coated with tiny microbes, are on the rise. These startups should definitely protect their methods and modes of seed production and breeding in order to ward off infringing parties.

#### **Conclusion**

A startup's intellectual property is one of its most valuable assets. Accordingly, a startup should develop a comprehensive strategy to use starting at the inception of its business to protect its intellectual property. Ignorance of law is no defense and same cannot be pleaded in case of IP rights as they provide time bound protection and hence it is imperative that IP rights must be secured at the first instance.

## <u>Indian Trademark Office: A journey</u> towards a better future

#### By Himanshu Sharma

#### **Introduction:**

For decades, the Indian Trademark Office was termed as the slowest office in terms of getting a trademark registration. The scarcity of staff combined with the lackluster attitude of the Officials working had given Indian Trademark Office a tag of being the least efficient office till early 2000's. Then came the transformation period wherein the government changed the rules of appointment of the Controller General (CG) in the year 2009 and an 'Indian Administrative Services (IAS)' Officer took over the reins for the first time. When Mr. P. H. Kurien was appointed as CG of the Indian Patent and Trademark Office. there was a lot of pendency and lack of transparency in the working style of the Office. The very first step taken by him was digitization of all the files related to Patent and Trademarks. From that point onwards, the Indian Trademark Office has not looked back and is now going at a steady pace wherein there is less pendency and adequate transparency.

## <u>Transformation in Indian Trademark</u> <u>Office</u>

1. Availability of free search of trademark database: Before adopting or filing a trademark, a proprietor needs to ensure that the mark is available. Earlier a trademark search, after payment of an official fee of INR 500, used to take more than 2 months. It was a big headache for an

owner as he was required to wait for a long time for the search report to reach him and that too after a lot of hassle. In the year 2011, Indian Trademark office made database available for the general public and trademark search become free. This has helped tremendously as people file trademark after getting it thoroughly searched and making sure that the applied trademark is available.

- 2. **Transparency:** With the digitization of the Indian Trademark Office, all the documents related to the trademark applications are available online without any hassle. Even the orders passed by the hearing officers are available online, obtaining a copy of which was earlier a hard task and an Applicant was required to either visit the office numerous times or had to pay under the table to get a copy. The availability of all the documents and orders online helps the Applicant's in checking the progress of the trademark registration without expending much effort. This has also helped in uplifting the image of the office in the eyes of the Foreign Applicants, as they can also keep a track of the progress of their trademark application without relying on the local agents, who in past took them for a ride due to lack of transparency.
- 3. <u>Introduction of Online filing:</u> With the introduction of Madrid protocol and online filing, Indian trademark office had taken a long leap of faith amongst the Applicants. Not only this helps businesses and applicants in saving time and effort but it has also helped trademark office saving

- valuable resources by utilizing the staff in other processes where they are required rather than spending time in time-consuming processes of filing of application such as making data entries in the database, maintaining physical files etc which were eating into a lot of resources.
- 4. **Appointment of new staff:** In the recent years, the government has undertaken the task of appointment of the new staff at the Indian Trademark Office as same was required due to the increasing workload of the officials and manifold increase in new filings due to increased awareness and knowledge of IP rights among the business class. People now are more diligent about their IP rights and try to secure them first hand before moving forward with establishing business. Government is also giving push to manufacturing in India and promoting the entrepreneurs to establish their businesses through various schemes like Make in India, Start-up India and Digital India. This has led to a sudden surge in seeking protection of IP rights be it a Patent, Trademark or Copyright etc., as people want to protect the rights first and then move forward. With this, the workload at the IPO of India has increased tremendously and requires a larger work force. During the last five years the situation regarding the work force at the IPO has improved and new staff at all level has been hired. Due to this, the situation at Trademark Office has improved up to a level that now a trademark gets registered within six months from the filing.
- 5. **Least pendency:** As explained above, with the improvement in the number of people working in the IPO, the pendency at the Indian Trademark Office is at its lowest. Each of department the Registry consciously works towards the reduction of pendency. A number of drives across all departments of the registry are undertaken where the applicants are called upon to provide the necessary documents so that a pending action can move forward. There are numerous drives taken up by Indian Trademark Office such as taking up post registration, show cause matters and pending replies to the examined applications in order to reduce pendency.
- 6. Introduction of new Trademark **Rules:** The new Indian Trademark Rules of 2017 have been adopted by Indian Trademark Office in the month of March and subsequently more procedures have been undertaken or streamlined to make Indian Trademark Office an efficient office. The outline of the new Rules of 2017 is to make Indian Trademark Office a paperless office and to have proper procedures in every department. The effort is being made in the new Rules to encourage people to go for online filing which is helping in improving the services at the Indian Trademark Office. A 10% Discount is provided to an Applicant if the application is filed online and same is also easy to access.
- 7. <u>Timeline for the process:</u> With the introduction of new Rules of 2017, effort is made by the legislature to introduce a timeline for each procedure. Earlier an Opposition

proceedings would go on forever but the new Rules of 2017, lays a special focus on the speedy redressal of disputes amongst the parties embroiled in a dispute for the trademark. Hence, under the new Rule 50 of 2017, it is mentioned that no party shall be given more than two adjournments and each adjournment will not be more than thirty days. Further, effort has been made to reduce the timeline for procedure of registration to a minimum and there are lots of cases where this procedure has been completed within 6 months. The Opposition proceeding under the Rules 50 to 52 of 2002, had provisions related to the extension of time but the same are now done away with, under the new Rules of 2017. There are no provisions related to the extension of time for filing evidences in the Opposition proceedings. Hence if a party to the proceeding does not file evidences or fails to intimate the Registrar that he wishes to rely on the documents already filed, stipulated time period provided under the Rules 45 to 47 of new Rules of 2017, then it will be deemed that he abandoned his application/opposition.

8. Proper procedure to declare trademarks as well-known: Under the new Rule 124 of 2017, an owner of a trademark can apply to Indian Trademark Office, to recognize his trademark as a well-known trademark by paying an official fee. Until now, a trademark could be recognized as a well-known trademark by a court in a proceeding related to trademark infringement. Now, an owner of a trademark can file an application to

this effect, along with all the evidences documents on which Applicant wants to rely in support of his claim. The Registrar will go through the application and may ask for the additional documents and evidences in this regards from the Applicant and if satisfied with the claim, can determine the trademark as well-known Trademark. Registrar can ask public for objection against the said application and within 30 days any person can object the application. The Registrar acceptance of a trademark as a wellknown trademark will publish it in Trademark Journal.

- 9. Least interference of Officials: With technology taking over most aspects, the India ITO is also moving in the same direction and all the procedures in the Indian Trademark Office are now being monitored and processed with the help of special software. All the procedures are maintained with the help of this software and the human intervention relating to the appointment of hearing, allotment of files etc. is now at a minimum. As everything is published online, there are less chances of getting an arbitrary or an out of turn order. With the fear of somebody constantly monitoring, the official are more diligent about work and chances of fiddling with the procedure is now minimum.
- 10. Email now a way of Official communication: Under the new Rules, the Indian Trademark Office has also recognized email communication as the official mode of communication. For the same, an Applicant/Agent has to provide an email address at the

time of filing of an application and all the official communication will be sent to the Applicant/Agent on this email. The deadline to respond to the official communication will be counted from the date of communication of email to the Applicant/Agent. This is also a step forward in the direction of making Indian Trademark Office a paperless office as an Applicant can also file replies to the examination report and other communication from Indian Trademark Office through online portal of Indian Trademark Office.

The changes mentioned above have not taken place overnight and it took a lot of effort from the stakeholders and government to bring Indian Trademark Office to a position where it can compete with any international office. Although work is still far from over and there is a scope of improvement in each department of Indian Trademark Office and all the parties related to the office. All should work in consonance with each other so that registration of trademark in India should become a smoother procedure rather than a hassle which people faced in past.