India’s accession to Madrid Protocol: bless or mess!

Introduction

In a significant development, India has joined the Madrid Protocol and with India’s accession the purpose of transforming the Madrid Protocol into a system with truly global reach is another step closer. This treaty will come into force in India from this month (July 2013) and would provide a unique opportunity to all domestic companies and entrepreneurs to protect their trade mark portfolio across the world by obtaining a cost-effective global trade mark registration. Also, it would give an opportunity to the brand owners across the world to extend their protection to the important Indian market through a single, simplified and cost-effective procedure.

The Madrid Protocol is equally important for large as well as small or mid-size businesses present in any place in the world. In this bulletin we will discuss the implications of India’s accession to Madrid Protocol and some suggestions for the Indian as well as foreign brand owners.

1. International IP Regime

The international trade mark system is governed by the Madrid Agreement concerning the International Registration of Marks (1891) and the Madrid Protocol relating to the Madrid Agreement concerning the International Registration of Marks (1989). This Protocol is administered by WIPO. WIPO works with its member states to improve understanding and respect for IP worldwide. It provides economic analysis and statistics and contributes IP-based solutions to help tackle global challenges. India has joined Madrid Protocol but not the Agreement. The most important advantage of the Protocol is the ability to file an international application on the basis of a pending application in a member state instead of a registered trade mark as required under the Agreement. Also, Protocol provides for a mechanism to apply for transformation of a failed international registration into regional or national applications while retaining the priority date of the original international registration.

The Madrid Protocol offers trade mark owners a cost effective and use friendly means of protecting and managing the trade marks internationally. It allows brand owners to register their trade marks in all the member countries through a single application filed in English, French or Spanish. The applicable fees is payable in Swiss francs. So far, there are 88 member countries in addition to the European Union. India is the 14th of the G-20 economies to join the Protocol. Brand owners have to apply for trade mark protection in a national or regional trade mark office having jurisdiction before seeking international protection. An international registration under this Protocol produces the same effects as an application for registration of the trade mark in each of the contracting parties designated by the applicant.
In India, the Trade Marks Registry was established in 1940 and it administers the Trade Marks Act, 1999 and the Trade Marks Rules, 2002. The Department of Industrial Policy and Promotion is concerned with legislations relating to patents, trade marks, designs and geographical indications. These are administered through the offices of the Controller General of Patents, Designs and Trade Marks.

2. **Procedure under the Madrid Protocol**

An international application is made to the national office and from the list of the member countries applicant has to select wherever it seeks protection of its trade mark. The origin office then examines whether the international application corresponds to a mandatory basic application or basic registration and complies with home state requirements.

The office of the applicant should certify that under Article 3 (1) of the Protocol, the mark is the same mark as that in the basic registration. The application from the originating office should be received by the International Bureau within two months of that initial date of receipt of the application (*Article 3 (4) of the Protocol*). The International Bureau examines the application, the indication of goods and services and their classification, required fee payment and other basic administrative requirement and confirms the irregularities back to the original office, which must be removed within three months. If that is not done, the application is considered abandoned. On successful examination the International Bureau then records the mark in its register. The mark is then published in international gazette and notified to all member countries seeking their consequent approval and granting of registration.

If grounds for objection are found during the ex officio examination, or in case an opposition is filed, a provisional refusal is declared within 18 months of receipt of the application from the International Bureau. Such refusal by the national office based on oppositions can be made after the 18 month time limit is passed from the receipt of the notification. All post refusal procedure of review, appeal and response is done directly between the mark holder and the concerned office. Finally, a statement is sent to the International Bureau indicating that the provisional refusal is either confirmed or is totally withdrawn or partially withdrawn. This statement is also recorded in the International Register and published in the gazette. If no further objection is received within 12-18 months, it is deemed accepted. The duration of protection is ten years and can be renewed.

3. **Advantages of the Madrid Protocol**

The Indian and even foreign businesses will have the following advantages from the accession of India to the Madrid Protocol:

(a) **Convenience and cost**: Protocol enables an Indian to extend protection for a trade mark in one or more member countries by electronically filing an international application designating member countries where trademark protection is sought with the Indian Trade Marks Registry. An international applicant may designate India and claim trade mark protection in India. The advantage is convenience and cost-efficiency of paying one time fee.
and using one trade mark registration as the basis for registration in many different countries.

(b) **No requirement of engaging separate counsels in different countries:** The Protocol does not require applicants to retain separate local trade mark counsel in each country in which it wishes to file a trade mark application, unless the national trade mark office issues a rejection or requires additional information.

(c) **Swifter process:** The mechanism under the Protocol is swifter. In the prosecution process, the amount of time an office has to act once it has received a request for extension of an international registration is limited, which ensures timely address.

(d) **Single document to change application/applicant's details:** Even changing any details of the application or of brand owner (name, address, etc) can be reflected through one single document. This is filed at the International Bureau and no separate steps are required to be taken at each national office.

(e) **Fees:** The filing and maintenance fees associated with the international registration are lower over time than maintaining several separate national registrations.

Now the question that arises is **whether India is prepared to deal with the international applications** that will start pouring in after the Protocol comes into effect. Review of the existing system suggests that the Registry in India lacks man power. As the Protocol mandates that the international application has to be processed within 18 months, the fear is that the Registry will start giving prominence to the international application against the Indian applications. This will add to the delays in Indian application registrations. Indian laws allow broad specification of goods and services and this may not be similar in other member countries.

It is crucial to note that an international registration would depend on the basic mark for the first five years. So, if an Indian basic mark is limited or cancelled, the international registration would similarly be limited or cancelled. After the expiry of this five year period, the international registration would become independent. The refusal on relative grounds and oppositions due to the large number of applications already registered or in process in India would also be relatively high. International applicants need to be very cautious before selecting any trade mark and taking the route provided by the Protocol.

In light of the above, it is crucial that Indian Registry should also prepare itself by firstly updating the official website with complete online facility not only for search, which it already has but also for filings of applications, responses and procuring of online registration certificates. Making all the previous journals and records online would be another crucial step that should be done. Though Registry has already been uploading the new journals, it would be crucial to identify the missing ones and complete the archive. More online dependency will of course necessitate more IT-trained staff in the Registry. The Indian Trade Marks Journal can also have a special issue dealing with Indian marks that should be made available in the Gazette of the International Bureau so engaging internationally savvy
trade mark agents can be avoided and thus, the time and cost involved can be reduced by the Indian applicants.

The Protocol comes with a lot of possibilities, but only time will tell whether its effective and efficient implementation will bear fruits or will create menace for the applicants. Now is the wait and watch situation.

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