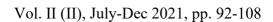


E- Journal of Academic Innovation and Research in Intellectual Property Assets (E-JAIRIPA)





INDIA'S ACCESSION TO THE MADRID PROTOCOL: A CRITICAL ANALYSIS

Nimita Aksa Pradeep¹

ABSTRACT

India is one of the fasting growing economies in the world today and has the potential to become a world leader in various respects. Protection of trademarks, distinctive marks that help distinguish the goods and services of a company from that of their competitors, is hence of crucial importance in today's world. Availability of good transportation and communication facilities along with advancement in science and technology has made geographical locations meaningless by enabling trade and business to flow beyond the borders and boundaries of countries. Protection of trademarks at an international level thus became a necessity and this is where the Madrid Protocol came into the picture. The Protocol, one of the two treaties of the Madrid System, enables trademark owners to file a single application and register their marks in any of the member countries. India could not keep itself away for long especially considering the range of benefits the Protocol conferred on member countries. It was, however, essential that certain changes be brought about in Indian Trademark Law prior to this so as to better facilitate India's accession to the Protocol. These amendments were brought about via the Trade Marks (Amendment) Act, 2010 and Trade Marks (Amendment) Rules, 2013. In this background, the advantages and disadvantages of India ratifying the Protocol will be analysed and interpreted in this paper. The amendments made in Indian Trademark Law for the proper implementation of the Protocol and its provisions in the country will also be looked at.

92

¹ 4th Year, BBA LLB, Symbiosis Law School, Hyderabad

Keywords: Madrid Protocol, Madrid System, International Registration, Office of Origin, Subsequent Designation, Central Attack.

INTRODUCTION

Registration of a mark is prima facie evidence of its ownership. It provides the applicant the sole right to utilise the trademark in relation to their goods or services and obtain relief in case of infringement by a third party. As long as the mark is renewed at regular intervals, the trademark owner would be able to benefit from the hard-earned goodwill and reputation of their business forever. They would also possess the authority to transfer or license the mark to another individual or company for a consideration.² Trademarks in the country are typically registered at the Trade Marks Registry Office by the Controller General of Patents, Designs and Trademarks, post which they would acquire legal protection within the territory of India.³ Trademark registration thus confers a wide range of benefits on the applicant.

With the advent of liberalisation, globalisation and privatisation, the world has come much closer. Business and trade are no longer restricted by geographical location. Indian entrepreneurs are making their mark in the global market. From this, stems the need for Indian companies to get their trademarks registered in different regions across the globe. Initially, obtaining trademark protection in multiple countries was a long and tedious process as trademark owners were required to submit separate applications in each of the countries, they wished to protect their mark. The fact that the applications to be submitted had to be in different languages and compliant with different rules and regulations further complicated the issue. Even the registration fees to be paid differed from country to country and region to region. It was also often necessary for applicants to hire different legal counsels to file each application as they were not well-versed with the local laws of all the countries. Keeping all this in mind, in 2007, the Government of India decided to ratify the "Protocol Relating to the Madrid Agreement".

However, various changes were required to be made in Indian Trademark Law for the proper implementation of the Protocol and its provisions in India. Though the Trade Marks (Amendment) Bill, 2007 was pending in the Parliament for a substantial period of time, it was

_

² Senthil Kumar, Trademark Registration in India, Research Gate (Apr. 9, 2022, 5:30 PM), https://www.researchgate.net/publication/330994359_Trademark_Registration_Process_in_India.

⁴ R. A. Tiwari, <u>India's Accession to The Madrid Protocol</u>, 1 IP Expressions 10, 10-19 (2015), www.ipindiaservices.gov.in/rqstatus/IP expression booklet 26January2015.pdf.

only on 8th July 2013 that the amendments were notified and India finally acceded to the Protocol.⁵ The Protocol is one of the two treaties of the Madrid System for the International Registration of Marks administered by WIPO. It was adopted on 27th June 1989 and came into operation on 1st April 1996. It primarily enables trademark owners to file a single application in their National Trade Marks Office and thereby register their marks in the member countries of their choice.⁶ In light of the above, the advantages and disadvantages of India ratifying the Protocol will be analysed and interpreted throughout the course of this paper. Furthermore, the amendments made in Indian Trademark Law for the proper implementation of the Protocol and its provisions in India such as the promulgation of the Trade Marks (Amendment) Act, 2010 and Trade Marks (Amendment) Rules, 2013 will also be looked at in this paper.

Literature Review

R. A. Tiwari in "India's Accession to the Madrid Protocol"⁷ discusses the importance of trademark registration and protection in India and further examines the importance of India ratifying the Madrid System. Furthermore, the article explains the amendments made to the trademark law in order to facilitate India's accession to the Protocol. Additionally, it also discusses the National Trade Marks Registry's implementation of the Protocol and its provisions in India.

N. Babu in "Effective Implementation of the Madrid Protocol with a Special Emphasis to the Organizational set up in India" provides an overview of the Madrid System and its objectives and highlights the differences between the Agreement and Protocol. He also explains the procedure for filing an international application and discusses the benefits and limitations of the Protocol. Furthermore, he explains the preparation required to start Madrid Protocol in India such as amendment of current trademark laws.

Barbara Bennett in "Study on Accession to the Madrid System for the International

⁵ Id.

⁶ Bingbin L. U., <u>Madrid System for the International Registration of Marks: An Updated Overview</u>, 17 Intellectual Property Studies 226, 226-246 (2007), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=558589.

⁷ Supra 4.

⁸ N. Babu, <u>Effective Implementation of the Madrid Protocol with a Special Emphasis to the Organizational set up in India</u>, WIPO (Apr. 9, 2022, 6:15 PM), https://www.wipo.int/export/sites/www/about-wipo/en/offices/japan/research/pdf/india_2009.pdf.

Registration of Marks" explains the difference in procedure between international registration of trademarks through the Paris Convention and Madrid Protocol. Furthermore, she investigates the experiences of countries such as Korea, Turkey, Mongolia, Vietnam and Singapore in accession to the Protocol. She also examines the views of various stakeholders such as trademark owners, IP Offices, attorneys and agents on the potential benefits and difficulties of operating the Protocol.

Chaudhry Asfand Ali in "Analysis on the Impact of Madrid Protocol for the Economies of Developing Countries" examines the essentials of the Protocol and the requirements to be complied with by marks in order to be granted international protection. He also explains the effects of international registration and the responsibilities of the International Bureau, Designated Contracting Parties and National Trade Marks Registries. Furthermore, he also compares the Protocol with the trademark legislations of various countries such as Japan, Singapore, Pakistan and the United States.

Bingbin L. U. in "Madrid System for the International Registration of Marks: An Updated Overview"¹¹ examines the provisions of the Madrid Agreement and Madrid Protocol and thereafter discusses the relationship between the two. The article also provides a brief overview of the Madrid System and points out it its pros and cons in terms of the registration process, language barrier, fee schedule, etc. Furthermore, it gives an introduction to international trademark law and provides an update on recent developments in the international trademark registration system.

Ramsay Shonge in "Assessment of the Impact of the Accession to the Madrid Protocol on the Zimbabwean Intellectual Property Landscape" examines the impact of Zimbabwe's accession to the Protocol on the country's IP system. In furtherance to this, the article discusses the functions of the Zimbabwe Intellectual Property Office. Furthermore, it analyses

⁹ Barbara Bennett, <u>Study on Accession to the Madrid System for the International Registration of Marks</u>, WIPO (Apr. 9, 2022, 7:30 PM), https://www.wipo.int/edocs/pubdocs/en/marks/954/wipo pub 954.pdf.

Chaudhry Asfand Ali, <u>Analysis on the Impact of Madrid Protocol for the Economies of Developing Countries</u>,
 WIPO (Apr. 9, 2022, 8:20 PM), https://www.wipo.int/export/sites/www/about-wipo/en/offices/japan/research/pdf/pakistan_2008.pdf.
 Supra 6.

¹² Ramsay Shonge, <u>Assessment of the Impact of the Accession to the Madrid Protocol on the Zimbabwean Intellectual Property Landscape</u>, 4 African Journal of Intellectual Property 1, 1-14 (2019), https://www.researchgate.net/publication/343112173_An_Assessment_of_the_Impact_of_the_Accession_to_the Madrid Protocol on the Zimbabwean IP Landscape.

and interprets trademark filing in Zimbabwe by way of the national route via ZIPO, regional route via ARIPO and international route via WIPO. For this purpose, it looks into the provisions of the Paris Convention, Banjul Protocol and Madrid Protocol.

A BRIEF OVERVIEW OF TRADEMARKS IN INDIA

As per Section 2(1)(m) of the Trade Marks Act, 1999, "Mark includes a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof." Furthermore, according to Section 2(1)(zb) of the Trade Marks Act, 1999, "Trademark means a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others and may include shape of goods, their packaging and combination of colours." ¹¹⁴

A trademark is basically a distinct mark that identifies products and services in the market as having been manufactured by a particular individual or company. It thereby signifies to consumers that products and services bearing the mark have the same source and are hence of equal quality. It can therefore be said to be a system that helps customers in making purchasing decisions on the basis of the unique characteristics of the goods and services, distinguishable from other similar products available in the market due to the mark associated with it.¹⁵ Trademarks thus play a significant role in the advertisement and sale of goods and services in the market.

In the case of *Mattel, Inc. and Ors. v. Jayant Agarwalla and Ors.*, ¹⁶ the Hon'ble Delhi HC opined that "Marks help buyers to identify their source, and assure them of the constancy of quality from a particular producer. Trademarks are thus, a valuable medium of advertisement, vital for marketing of products."

The Trade Marks Act, 1999 and Trade Marks Rules, 2002 are the two major legislations governing trademarks in the country. They have been enacted in order to confer protection on the words, phrases, signs, symbols, etc. that distinguish the products of one company from those of their competitors. It thus aims at preventing unfair competition in the market.¹⁷

¹³ Section 2(1)(m), <u>Trade Marks Act</u>, 1999.

¹⁴ Section 2(1)(zb), <u>Trade Marks Act</u>, 1999.

¹⁵ Rahul Chakraborty, <u>Growth of Intellectual Property Law and Trade Marks</u>, SSRN (Oct. 3, 2021, 9:30 AM) https://ssrn.com/abstract=1335874.

¹⁶ Mattel, Inc. and Ors. v. Jayant Agarwalla and Ors., 2008(38)PTC416(Del).

¹⁷ Suvrashis Sarkar, <u>Trademark Infringements in India</u>, 2 Global Research Analysis 152, 152-153 (2013), https://www.worldwidejournals.com/global-journal-for-research-analysis- GJRA/recent issues pdf/2013/June/trademark-

Ultimately, it protects consumers by preventing companies from diluting the marks of their competitors by taking undue advantage of the brand value of other firms and thereby helps avoid customer confusion. The purpose behind trademark law is thus to provide rights and confer remedies on the owners of trademarks.¹⁸

Furthermore, in the case of *Cadbury India Ltd. and Ors. v. Neeraj Food Products*, ¹⁹ the Hon'ble Delhi HC opined that "The spirit, intendment and purpose of the trademark legislation is to protect the trader and consumer against dishonest adoption of one's trademark by another with the intention of capitalising on the attached reputation and goodwill."

Additionally, in the case of *L. A. Opala R. G. Ltd. v. Cello Plast and Ors.*, ²⁰ the Hon'ble Calcutta HC opined that "The purpose of trademark law is twofold, namely: a trademark helps customers distinguish between products and a trademark protects the owner's investment and reputation."

In the case of Kamdhenu Ispat Limited v. Kamdhenu Pickles and Spices India Pvt. Ltd. And Ors.,²¹ the Hon'ble Delhi HC opined that "The object of trademark law is to prevent conduct by a trader or producer, which is calculated to injure the business or goodwill of another trader in the sense that this is a reasonably foreseeable consequence."

STEPS TAKEN FOR THE IMPLEMENTATION OF THE PROVISIONS OF THE MADRID PROTOCOL IN INDIA

In India, trademarks are governed by two major legislations, namely: the Trade Marks Act, 1999 and Trade Marks Rules, 2002. On 21st September 2010, a major amendment in Indian Trademark Law by way of the Trade Marks (Amendment) Act, 2010 was promulgated in order to facilitate India's accession to the Protocol. Subsequently, on 8th July 2013, the Trade Marks (Amendment) Rules, 2013 was enacted so as to confer further clarity on the provisions of the Trade Marks (Amendment) Act, 2010. Thus, India ratified and became a part of the Protocol starting from 8th July 2013.²² The Amendment Act, via Chapter IV A, inserted various special provisions into the main legislation pertaining to the protection of trademarks

infringements-in-india-case-study-with-reference-to-consumer- goods-sector_June_2013_1598965586_55.pdf. ¹⁸ *Id.*

¹⁹ <u>Cadbury India Ltd. and Ors. v. Neeraj Food Products</u>, 142 (2007) DLT 724. ²⁰ L. A. Opala R. G. Ltd. v. Cello Plast and Ors., 2018(76)PTC309(Cal).

²¹ <u>Kamdhenu Ispat Limited v. Kamdhenu Pickles and Spices India Pvt. Ltd. and Ors.</u>, 2011(46)PTC152(Del).

²² Supra 4.

under the Madrid System by way of international registration.²³ The major provisions of the amendment are as follows:

- Section 36A provides that the Trade Marks Act, 1999 would be applicable to international trademark applications filed under the Protocol.²⁴
- <u>Section 36B</u> has inserted an interpretation clause defining various terms important in the context of the Protocol such as application, basic registration, international application, international registration, etc.²⁵
- <u>Section 36C</u> provides that the Head Office or one of the Branch Offices of the Trademarks Registry, as notified by the Central Government, shall deal with international registrations in India.²⁶
- Section 36D provides for a trademark owner to file for an international registration under the Protocol in accordance to the Common Regulations. It further stipulates that the Registrar would verify that the details provided in the international application is the same as that which had been provided in the basic application and thereafter forward it to the International Bureau. Furthermore, it prescribes that an international registration would lose its legal protection if its basic registration ceased to have effect prior to five years from the date of the international registration expiring.²⁷
- Section 36E provides that in international trademark registrations wherein India has been designated, the Registrar shall contemplate whether legal protection should be awarded to the mark or not in India. If the Registrar is of the opinion that trademark protection should be conferred subject to certain terms and conditions, he or she shall communicate a refusal to the International Bureau within a period of eighteen months. Alternatively, if the Registrar does not find any ground on which to refuse grant of protection, he or she shall communicate an acceptance to the International Bureau within the stipulated eighteen months.²⁸
- Section 36F provides that in international trademark registrations wherein India has been designated, the trademark would receive the same protection in the country as if it had been registered in India itself.²⁹
- <u>Section 36G</u> provides that as international registrations under the Madrid Protocol expired

²³ Id.

²⁴ Section 36A, <u>Trade Marks (Amendment) Act, 2010</u>.

²⁵ Section 36B, Trade Marks (Amendment) Act, 2010.

²⁶ Section 36C, <u>Trade Marks (Amendment) Act, 2010</u>.

²⁷ Section 36D, <u>Trade Marks (Amendment) Act, 2010</u>.

²⁸ Section 36E, <u>Trade Marks (Amendment) Act</u>, 2010

²⁹ Section 36F, Trade Marks (Amendment) Act, 2010

within ten years, it had to be renewed within that period. However, upon payment of a surcharge, a six-month grace period would be permitted in this respect.³⁰

After India ratified the Protocol, a Trade Marks International Application System was put into place in India so as to ensure that all functions pertaining to the implementation of the Madrid System in the country such as filing of applications, payment of fees, etc. were carried out in a prompt and seamless manner via a comprehensive e-filing system. Furthermore, as per the declaration made by the Government of India to WIPO at the time of ratifying the Protocol, it was decided that in addition to complementary fees, individual fees would also be paid with regard to international registrations wherein India had been designated.³¹

It was also decided that even though three languages, i.e., English, French and Spanish, had been granted recognition under the Protocol, English alone would be the language of communication for international registrations based in India. Another declaration made in this respect was that licensing of trademarks, irrespective of whether the mark had been granted international registration or not, would be carried out only in accordance to the Trade Marks Act, 1999. It was also declared under Article 14(5) of the Protocol that if an international registration had been granted prior to 8th July 2013, the registration of the mark could not subsequently be extended to India.³²

CHANGES IN THE TRADE MARKS REGISTRY OFFICE AS A RESULT OF THE COMING INTO FORCE OF THE MADRID PROTOCOL IN INDIA

After India's accession to the Madrid Protocol on 8th July 2013, the functions of the Trade Marks Registry Office's could be broadly divided into two categories: its responsibilities as an Office of Origin and its duties as an Office of Designated Contracting Party as has been explained herein below:

As an Office of Origin

International applications filed via the e-filing trademark gateway of the official IP website are checked by the Indian Patent and Trade Marks Office. Upon checking, if the application is found to be proper, it is certified and transmitted to WIPO. Additionally, fee notice and certification letter are sent to the applicant. In furtherance to this, if WIPO also does not find any irregularities, it will directly be granted the status of an international registration and

99

³⁰ Section 36G, Trademarks (Amendment) Act, 2010

^{31 &}lt;u>Supra</u> 4

³² Id

published in the WIPO Gazette. However, if any irregularities are found in the application by WIPO, the Trade Marks Registry Office will send an irregularity letter to the applicant who will in turn prepare and upload a written response on the e-filing trademark gateway along with supporting documents. Thereafter, the response will be sent to WIPO.

Alternatively, if any deficiency is found in the application upon checking by the Indian Patent and Trade Marks Office, a deficiency letter will be sent to the applicant who will in turn prepare and upload a written response on the gateway along with supporting documents. Subsequently, the response will be sent to WIPO. As international registrations are based upon a basic mark in their home country, cancellation of the basic application/registration partially or wholly would result in similar cancellation of the international mark. It is hence the duty of the Trade Marks Registry Office to communicate any such change in the status of the basic application/registration to WIPO.³³

As an Office of Designated Contracting Party

For international registrations in which India is the Designated Contracting Party, the Indian Patent and Trade Marks Office will examine it as a national registration and for this purpose, consider the international application's date to be the national application's date. In furtherance to this, a national number will be conferred on it and the mark will be recorded in the country's trademark database. Thereafter, provisional refusal will be communicated to WIPO in case of objection and a procedure similar to objection at the post-examination stage of national applications will be followed. Upon learning of the provisional refusal, international applicants will have the option of responding and requesting reconsideration by the Trade Marks Registry Office via an Indian agent.

However, if there are no objections, the registration would be published in the Trade Marks Journal and notice of opposition may be filed by anyone via the e-filing trademark gateway of the official IP website. If any such opposition is received, a provisional refusal will be sent to WIPO which may be contested by the applicant via an Indian agent, post which the ordinary opposition proceedings would take place. Alternatively, if no such opposition is received and there is no reason for the application to be refused, protection would be granted to the registration and the same would be communicated to WIPO. As renewal, amendment, correction, etc. of international registrations are take care of by WIPO, the Indian Patent and

_

³³ Supra 3.

Trade Marks Office has the duty to maintain updated records of the mark as per information communicated from time to time by WIPO.

ADVANTAGES AND DISADVANTAGES OF INDIA'S ACCESSION TO THE MADRID PROTOCOL: AN ANALYSIS

Advantages of the Madrid Protocol in India

1. Cost reduction:

After India ratified the Protocol, it became possible for trademark owners to register their marks by filing a single application in the Office of Origin instead of filing different applications in the Trade Mark Offices of the countries wherein they wished to receive trademark protection. India ratifying the Protocol also provided a similar advantage to applicants in case of change in name, renewal or assignment of their mark. In addition to this, as the Protocol permits individuals or companies to file an application for the registration of their mark without seeking any legal assistance, the applicant need not pay lawyers' fees anymore while applying for trademark protection. Furthermore, in case the trademark owner does require the assistance of a lawyer in filing the application, in such a scenario also they would have to avail the services of only one legal counsel, thus saving them a considerable amount of money in terms of advocates' fees. The cost associated with registering a mark under the Protocol can thus be said to be substantially lower than that associated with registering a mark in different national Trade Mark Offices.³⁴

2. The management of the trademark portfolio made easier:

As registration of trademarks at the international level is tantamount to multiple national registrations, the applicant is able to enjoy trademark protection in numerous countries by filing a sngle application. This also means that if they wish to make any modification to their registration, they can do so by altering the details of their mark at the Office of Origin. Registration of trademarks under the Madrid System hence makes it much simpler for change in ownership, change in the name or address of the owner, change in the available goods and services, etc. to be recorded.

Furthermore, the Madrid Protocol allows the parties to transfer the registration of the mark, partially or wholly, to another individual or company. This means that a trademark

³⁴ <u>Ujjal Pathak, Madrid Protocol and Indian Trade Mark Law: A Critical Analysis</u>, 5 <u>The Clarion International Multidisciplinary</u> <u>Journal</u> 1, 1-48 (2016), https://www.researchgate.net/publication/307952322_Madrid_Protocol_and_Indian_Trade_Mark_Law_a_critical_analysis.

owner may transfer the registration of their mark in Country A to another individual while retaining the registration of their mark in Country B and C. It also means that the trademark owner may transfer the registration of their mark in respect of Product X to another company while retaining the registration of their mark in respect of Product Y and Z. The Protocol thus makes it much easier for applicants to manage their trademark portfolios in an effective and efficient manner.³⁵

3. Faster registration:

Though registration of trademarks takes a considerable period of time in many countries owing to the backlog of applications and lengthy examination process, this long waiting period is cut short in cases of registration under the Protocol. Upon filing an application under the Protocol, the Trade Mark Office of the Contracting Party will specify a time period between 1 year and 1.5 years within which they would pass a decision in relation to the application unless and until there arises an opposition to it. In fact, if the Office of the Contracting Party does not communicate a refusal to the applicant within the stipulated time period, he or she may safely assume that they have been granted trademark protection within the country. Furthermore, in certain situations, the Trade Mark Office of the Contracting Party may inform the trademark owner of the success of their application even before the expiry of the stipulated time period.³⁶

4. Subsequent designation:

The Protocol also provides an option to the applicant to file a subsequent designation in order to extend their trademark registration to a Contracting Party not originally covered in their application. This allows the trademark owner to expand their trademark protection in accordance to the expansion of their business. It is also to be noted in this scenario that applicants can extend their trademark registrations, by way of subsequent designation, to Contracting Parties that had not ratified the Protocol at the time of their initial application. Furthermore, under the Madrid System, it is also possible for trademark owners to file an application for an international registration when they already have a national registration for the same mark in place. In such a scenario, the international registration would replace the national one as per Article 4 of the Protocol and the trademark owner would continue to benefit from the registration of their mark even if their national registration is not

³⁵ Id.

³⁶ Mishayla Kercival, <u>The Madrid Protocol</u>, University of Kwazulu-Natal (Apr. 9, 2022, 8:45 PM), https://ukzn-dspace.ukzn.ac.za/bitstream/handle/10413/18402/Kercival Mishayla 2018.pdf?sequence=1&isAllowed=y.

5. Registration of domain name:

As any website can be accessed from any country across the globe courtesy of the internet, a domain name is not confined to a particular geographical location. Due to this reason, national protection will not suffice and international protection is a must in case of domain names. Since trademark law can be made applicable to domain names as well, it is possible for individuals or companies to gain international protection for their domain names by filing an application under the Madrid Protocol.

In the case of *Tata Sons Ltd. v Manu Kosuri and Ors.*³⁸, the High Court of Delhi opined that "It is now a settled law that with the advent of modern technology particularly that relating to cyberspace, domain names or internet sites are entitled to protection as a trade mark because they are more than a mere address. The rendering of internet services is also entitled to protection in the same way as goods and services are, and trademark law applies to activities on internet."

In the case of *Rediff Communications Ltd. v. Cyberbooth*,³⁹ the High Court of Bombay opined that "The internet domain names are of importance and can be a valuable corporate asset and such domain name is more than an internet address and is entitled to protection equal to a trademark."

6. Formality verification not required on part of the national office:

As WIPO carries out the formality verification in case of international trademark registration, the Office of Origin is saved the trouble of having to publish the marks, classify the goods or services, check whether the fees have been paid, ensure that the details of the goods or services have been properly mentioned, etc. Once WIPO makes certain that all the filing requirements have been complied with, both the National Office and the applicant would be informed. However, in case any issue arises in the application, the trademark owner would have to rectify it within a period of three months.⁴⁰

7. Brand management and commercialization:

³⁸ Tata Sons Ltd. v. Manu Kosuri and Ors., 90 (2001) DLT 659.

³⁷ Id.

³⁹ Rediff Communications Ltd. v. Cyberbooth, AIR 2000 Bom 27.

⁴⁰ Supra 9

As of 2022, the Madrid Union comprises 128 countries and has 112 members. In fact, approximately 80 percent of world trade flows may be attributed to members of the Union. This is especially beneficial for Indian exports as India's major trading partners such as USA, UK, China, Singapore, etc. are Contracting Parties to the Madrid Protocol. Furthermore, accession to the Protocol enables brands to garner goodwill and reputation in the international market place and thus confers on the company international brand presence and a wide range of associated economic benefits. Brand presence in the global realm is likely to facilitate international partnerships and global supply chain integration as well as amplify franchising opportunities. As a result of all this, there is a possibility that consumers will perceive the brand in a better light, thereby enabling the company to create a better image for itself in the minds of its customers.

Disadvantages of the Madrid Protocol in India

1. Possibility of central attack:

One of the main disadvantages suffered by registration of trademarks under the Madrid System is the risk of central attack provided in Article 6(3) of the Protocol. As per this provision, for the first five years from the date of the registration, an international registration depends on the basic registration made at the Office of Origin. This implies that if the basic registration loses its legal protection for any reason whatsoever during the course of these five years, the international registration would also cease to have effect along with it. The international registration may thus lose its trademark protection due to reasons such as voluntary cancellation, cancellation by the Court or Office of Origin, non-renewal, etc. of the basic registration.

Furthermore, if certain products or services are removed from the basic application within the first five years of its registration, those goods and services would lose international protection as well. It is also to be noted that the protection of an international registration cannot be invoked even if the basic registration loses its legal protection after the expiry of the five-year period if its cease in effect can be attributed to an action that commenced prior to the expiry of the said period. As grounds for the cancellation of trademarks differ from region to region, this provision is quite unfair to applicants of different countries.⁴¹

⁴¹ Junko Saito, <u>Introduction of the Madrid Protocol</u>, Japan Institute for Promoting Invention and Innovation (Apr. 9, 2022, 9:10 PM),

 $https://www.jpo.go.jp/e/news/kokusai/developing/training/textbook/document/index/introduction_of_the_madrid_protocol_2016.pdf.$

2. International trademark registrations cannot contain products or service in excess of those mentioned in their corresponding basic registrations:

As registration of trademarks under the Protocol is dependent on the basic application of the mark filed at the Office of Origin, removal of certain goods or services from the basic registration would imply that those goods and services would lose their international protection. It is hence not possible for international registration to be granted for more goods and services than those specified in the basic application.⁴²

3. An international trademark registration may be transferred only to an entity belonging to a member country of the Madrid Protocol:

In case the trademark owner wishes to transfer their international registration to another individual, it is compulsory that such individual is a Contracting Party to the Protocol. If this is not the case, however, such a transfer would not be possible as assignment of a trademark to an individual not entitled to file an international trademark application is not permitted under the Protocol.⁴³

4. <u>Limited members:</u>

As the Madrid System has only a limited number of members, registration of trademarks under it does not always help applicants in obtaining trademark protection in the country of their choosing. This is a disadvantage for countries such as India as many regions in the Asian continent are yet to ratify the Protocol.⁴⁴

SUGGESTIONS

The suggestions and inferences that have been arrived at after careful analysis and interpretation of the topic are as follows:

1. Introduction of transformation module for international applications:

India ratifying the Protocol has resulted in increased efficiency at procedural levels. However, as technology is continuously developing and growing, it is advisable that the Indian Patent and Trade Marks Office introduces a transformation module for international applications as provided for in the provisions pertaining to transformation in the Trade Marks Rules, 2002.

⁴² Supra 8.

⁴³ Id

⁴⁴ Sho Haneda, <u>The Impact of the Madrid Protocol on International Trademark Transfers</u>, 7 JAFTAB 29, 29-40 (2018), www.jaftab.org/RP/RP2018-03.pdf.

2. Permit division of classes in international applications:

Though the Trade Marks Registry Office does not permit division of classes in international applications on the ground that filing a request for division is incompatible with Indian Trademark Law, it permits the same in cases of national applications. In the interest of uniformity of practice, it is advisable that international registration designating India and national registrations be conferred similar treatment.

3. Promotion of online filing of applications:

In order to lower the burden of the Indian Patent and Trade Marks Office and reduce the possibility of mistakes being made in applications, it is advisable to encourage attorneys to file their trademark applications online. Furthermore, electronic communication should replace the Trade Marks Registry Office's present paper communication to attorneys for similar reasons. In addition to this, the online system should be made more transparent and user-friendly so that the general public is able to access it as per their requirements.

4. Backlogs should be cleared:

For proper implementation of the Protocol and its provisions in the country, it is advisable that all backlogs in terms of digitisation of old records, data entry, examination and post registration functions such as renewal, transfer, licensing, etc. are cleared. In addition to this, oppositions pending in the Indian Patent and Trade Marks Office should also be cleared on a priority basis.

5. Increase in Trade Marks Registry Office personnel and their capabilities:

Considering the huge number of international applications dealt by the Indian Patent and Trade Marks Office on a daily basis, it is important that the number of Examiners and Hearing Officers is increased so as to decrease the Application-Examiner ratio and Opposition-Hearing Officer ratio respectively. In addition to this, it is advised that power is decentralized and the liability of Officers with regard to their actions/decisions is enhanced. The creation of an in-house Training Department for the benefit of Trademark Officials is also advisable.

CONCLUSION

India ratifying the Protocol has helped the country harmonise itself with international trends. It has helped multiple Indian individuals and companies register their marks in different countries across the globe in a quick and seamless manner. For a considerable period of time now, every industry and sector of the Indian economy is trying its best to reach the heights of its counterparts in developed countries so that it can become a valued player in the global market. Taking into consideration the economic growth the country has been able to achieve in the last decade or so, a huge role may be attributed to India's accession to the Protocol.

India ratifying the Protocol has promoted global trade and enhanced the interest of foreign investors in the country. It has also provided a wide range of benefits to its stakeholders such as cost reduction, faster registration, brand management and commercialization, ease in management of trademark portfolio, removal of necessity for formality verification on part of the national office, etc. In addition to this, the Madrid Protocol also provides an option to the applicant to file a subsequent designation so as to expand their trademark protection in accordance to the expansion of their business by extending their registration to a Contracting Party not originally covered in their application.

India's accession to the Madrid Protocol necessitated certain changes in Indian Trademark Law pertaining to the protection of trademarks under the Madrid System by way of international registration and the same was efficiently and seamlessly brought about via the Trade Marks (Amendment) Act, 2010 and Trade Marks (Amendment) Rules, 2013. Despite the Central Government's declaration under Article 14(5) of the Protocol that the registration of marks granted international registration prior to 8th July 2013 could not be extended to India subsequently, as of 30th November 2014, WIPO had notified the Indian Patent and Trade Marks Office of approximately 8642 international registrations seeking trademark protection in the country.

Furthermore, as on 24th December 2014, India had been designated in over 12,593 international registrations. By 2015, the Indian Patent and Trade Marks Office received around 187 international trademark applications filed under the Protocol, out of which 97 applications were registered by WIPO and thereafter transmitted to the Offices of Designated Contracting Parties for final approval. As of 2015, roughly 228 international registrations designating India had been examined in accordance to date of the national and international

applications of the trademark. India ratifying the Protocol has thus helped countless entrepreneurs, Indian and otherwise, provide protection to their trademarks beyond the boundaries of the geographical location of their residence.
