

THE TRADEMARK RULES, 2017

23 March 2017

Draft of the Trademark (Amendment) Rules, 2015 proposing amendment to Trade Marks Rules, 2002 was issued by Ministry of Commerce and Industry on November 19, 2015 and has finally come into force as of March 6, 2017 as the Trade Marks Rules, 2017 (“Rules”).

In order to simplify and streamline the whole trademark filing and prosecution process the numbers of forms have been reduced from 75 to 8. Previous forms have been replaced by 8 consolidated forms. The enormous heightening in the expense is much more than the alterations proposed in 2015 which is very apparent. The highlight of the proposed amendment is more than 100% percent hike in the trademark filing fee.

Some of the key highlights of the said amendments are as under:

Classification of Applicants:

The Trademark Rules, 2017 have divided the Applicants in two categories, **Individuals/ Start-ups/ Small Enterprises** and **Others**. ‘Start-up’ and ‘Small Enterprises’ are defined under the definition clause. It applies to both Indian and Foreign entities. This is again a major step by Government for promoting and facilitating the Starts up/Small Enterprises in protecting their brands, as a substantial rebate in the official fee has been given to **Individuals/ Start-ups/ Small**

Enterprises under the new Rules

Start-ups means an entity in India recognised as a startup by the competent authority under Startup India initiative, and in case of a foreign entity, an entity fulfilling the criteria for turnover and period of incorporation / registration as per Startup India Initiative and submitting declaration to that effect.

An entity will be considered as a Start-up if incorporated or registered in India, not prior to five years, with annual turnover not exceeding INR 25,00,00,000 in any preceding financial year and working towards innovation, development, deployment or commercialization of new products, processes or services driven by technology or intellectual property. However, if any entity formed by splitting up or through reconstruction, of a business already in existence, it will not be considered as a start-up. Further, an entity shall cease to be a Start-up if its turnover for the previous financial years has exceeded INR 25 crore or it has completed 5 years from the date of incorporation/ registration. A Start-up needs to obtain certification from the Inter-Ministerial Board.

Small Enterprises are the enterprise engaged in the manufacture or production of goods, where the investment in plant and machinery does not exceed the limit of INR 10,00,00,000 and in case of an enterprise engaged in providing or rendering of services, where the investment in equipment is not more than the limit of INR 5,00,00,000. In case of foreign enterprise, an enterprise which fulfils the aforementioned criteria is eligible to be an applicant in the small enterprise category.

Hike in the fees:

There is substantial hike in the trademark registration cost under the new Rules. However, almost 50% discount has been given to the Applicant in the category of Individual, Start-ups and Small Enterprises. Also, with the sole rationale of expanding the online filings of trademarks, the revised Rules accommodate a 10% markdown on the official expense for Applicants who record the applications online in contrast with physical filings.

S.No	Fee Payable For	Fee after Amendment (INR)	
		E-Filing	Physical Filing
1	Application for registering a trademark in one class		
	Individual, startups and small companies	4500	5000
	Other entities	9000	10000
2	For Notice of opposition or counter-statement in answer to a notice of opposition (Fee is for each class opposed or counter statement filed)	2700	3000
3	For renewal of registration of trademark in one class	9000	10000
5	Application requesting expedited examination		
	Individual, startups and small companies	20000	-
	Other entities	40000	-
6	Amendment in a pending trademark application	900	1000
9	Application requesting inclusion of the mark in the list of well-known trade mark	100000	-
11	Application to register subsequent proprietor in case of assignment for each mark	9000	10000

Reduction in number of forms:

The number of forms used for filings various applications have been reduced from 74 to only 8 forms in totality. This reduction in the forms has been done to simplify the filing process.

The list of new forms is as under:

- TM A-Application for registration of any good/services
- TM M- Request for any amendment in application, grounds of decision, expedite examination, request for inclusion of a mark as well-known, authorization of an agent.
- TM R-All Renewal related matters
- TM C-Application for Search Certificate request
- TM O- All opposition matters
- TM P- Applications to dissolve association, assignment; amendment for description of goods/services, etc
- TM U-Application for Registered users, etc
- TM G- Applications related for Trade mark Agent

Registration of sound mark:

Before the notification of the said Rules, the practicality of registering sound marks was quite difficult. While applicants use to file applications to record sound marks by representing them graphically or by spelling out the tune, but now after the amended Rules there is an introduction of the facility for the registration of a Sound mark.

The amended Rules have provision for filing an application for registration of sound marks. A sound file in MP-3 format not exceeding thirty seconds along with graphical representation of its notation would be required to be submitted with the application. TM-A provides that in case of sound marks representation of specific musical notes must be submitted at the place provided for the trademark.

Statement of user in applications:

Prior to the amended Rules, if an application is filed claiming use prior to filing of an application then the Affidavit of use was submitted only when requested by the Examiner. However, under the amended Rules it is mandatory for the applicant to file an affidavit along with the supporting documents and evidence to claim use of the mark.

Assignment and Transmission:

Under the new Rules, a flat fee would be applicable on assignment of a registered trademark as mentioned in the table above, irrespective of whether the assignment request is filed within 6 months/12 months/ after 12 months from the date of assignment.

Expedited Examination of application:

There was a provision for filing of request for expedited examination of the application under the Trademarks Act and Rules, 2002. However, the expedited process ended with the issuance of the examination report by the trademark registry and the applicant filing a response to the same. The

application thereafter is processed at a regular pace by the trademark registry. However, under the current amendment, expeditious processing of the application that is scheduling of show cause hearing, if required, the publication of the application and the opposition thereto, if any, till final disposal of the application all will be dealt expeditiously.

Request for expedited processing of application may be made for the registration of a trademark in Form TM-M mentioning the reason for expedited examination and on payment of fee which is 5 times the Application filing fees. Ordinarily, the application will be examined in 3 months from the date of Application, the response of examination report, advertisement of mark, opposition, if filed and hearing, if required to be scheduled will be considered early. Also, e-filing is mandatory if expedited processing of application is desired by the applicant.

Well Known Trademarks:

A notable highlight of the new Rules is inclusion of power given to the Registrar of trademark to review an application to include a mark in the list of well-known trademarks. The amendment gives discretionary power to Registrar of trademark to decide the criteria for inclusion of a mark in the list of well-known trademark. The amendment also empowers the Registrar to remove the trademark from the list if it is found that a trademark has been erroneously included the list. However, the most remarkable point is the cost required to be paid by the applicant for such inclusion of a mark in the list of well-known trademark. The official fee for the same is INR 100000.

Renewal:

Under the new Rules, the application for the Renewal of registration of a trademark may be filed within one year before the expiration of the registration of the trademark under FORM TM-R with the prescribed fee. Earlier, the Application for renewal could be filed only six months prior to the expiration of the trademark.

Electronic Service of Document:

The new Rules provides for electronic service of documents including all applications, notices, and statements, papers having representations or any other document, which means the Registry may send an official communication through email and it will amount to service of such document on Applicant/Opponent / Agent provided the email has been sent to the id given.

Opposition Proceeding

Rule 42 of the new Rules states about the procedure to be followed in case of opposition of trademark. Ordinarily, the Registrar shall serve a copy of the notice of opposition to the applicant within 3 months from its receipt at the office. But, if the applicant has already filed the counter statement on the basis of copy of notice of opposition available on the official website, the requirement of the service of such copy to the applicant shall be dispensed with.

In the repealed Rules extension of time was available to the Applicant with respect to filing of evidences in case of oppositions. However, in the new Rules no such extension of time is available.

The Trade Marks Rules, 2017 can be accessed at link provided below:

http://www.ipindia.nic.in/writereaddata/Portal/News/312_1_TRADE_MARKS_RULES_2017_English.pdf



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