

September 15, 2011

By email: indafta@dfat.gov.au

Australia-India Comprehensive Economic Cooperation Agreement
Free Trade Agreement Division
Department of Foreign Affairs and Trade
RG Casey Building
John McEwen Crescent
Barton ACT 0221
Australia

Dear Sir/Madam

Re: INTA Submission on Australia-India Comprehensive Economic Cooperation Agreement and Free Trade Agreement

The International Trademark Association (INTA) sincerely appreciates the opportunity to submit comments on the Australia-India Comprehensive Economic Cooperation Agreement and for any future Australia-India Free Trade Agreement.

INTA is a not-for-profit membership association of more than 5,900 trademark owners and professionals from over 190 countries, founded in 1878 and dedicated to the support and advancement of trademarks and related intellectual property as elements of fair and effective national and international commerce. Our members share common interests in the protection of trademarks and the development of trademark law, and INTA represents those interests before national governments and regional and international organizations. INTA's diverse membership includes start-up companies, major multinational corporations, intellectual property and general practice law firms, service firms, trademark consultants and academic institutions. At present, INTA has some 102 member firms based in Australia and 115 member firms based in India.

Australia has consistently demonstrated an approach of explicitly addressing intellectual property issues in its negotiations of free trade agreements (FTAs). In the Department of Foreign Affairs and Trade's "Review of Bilateral and Regional Trade Agreements – Submission to the Australian Productivity Commission" published in April 2010, intellectual property was highlighted as playing an important role in encouraging innovation and technological progress, preventing impediments to trade and investment, and promoting technology transfer and trade between parties.

Our Association is pleased to see Australia's continued commitment with IP protection, in particular, in the negotiations taking place for a Comprehensive Economic Cooperation Agreement, and for the next bilateral FTA with India. Both processes are consistent with

Australia's trade policy and will guarantee similar IP protection agreed upon in Australia's existing bilateral FTAs.

As identified by the Australia-India Joint Free Trade Agreement Feasibility Study, both Australia and India recognize the importance of effective protection and enforcement of intellectual property rights. A number of steps have been taken by Australia and India to promote and strengthen intellectual property rights, including their signing of the TRIPS Agreement, entering into a memorandum of understanding in 2008; and Australia playing a role in the 2002 WIPO Expert Mission for Modernization of the Indian Trademarks Registry. Although these steps are encouraging, we believe are still steps to be taken to bring India's trademark law and practice in line with current international standards so as to reduce cross-sectorial issues that may cause impediments to trade between Australia and India.

INTA has prepared the attached Model Free Trade Agreement (MFTA) that we believe supports and advances trademark and intellectual property laws in a way that assists with national and international commerce. Drawing from existing bilateral treaties, multilateral trademark and trade treaties, and INTA policy positions, the MFTA presents a set of model provisions aimed at providing greater certainty in trademark protection laws. Through its MFTA, INTA seeks to inform trade negotiators about the priority provisions for trademark owners. Trading partners in Australia and India will benefit as the new rights protection and enforcement mechanism helps to create a more attractive investment climate for business.

Again, we would like to note that India over the years has made enormous strides in improving trademark protection. Nonetheless, we believe that a Comprehensive Economic Agreement and/or a Free Trade Agreement between Australia and India could serve as a framework in which to address the following areas of Indian trademark law and practice in order to ameliorate cross-sectorial issues. Furthermore, these areas can be addressed under the Intellectual Property Chapter and under Trademark provisions protection, in the context of negotiations for a bilateral FTA between Australia and India.

Trademark Protection

There are two major treaties to facilitate international trademark registrations and to improve trademark office practice which India has yet to join. The first is the Protocol Relating to the Madrid Agreement Concerning the International registration of Marks (the "Madrid Protocol"). India has passed a bill to amend its trademark legislation to enable it to join the Madrid Protocol. However, notification of India's accession has been delayed for several reasons, including the goal of clearing its backlog of trademark applications so that it will be in a position to comply with the deadlines provided for under the Protocol. It is our view that there is a strong interest for India to have access to an international registration system under the Madrid Protocol because of its clear benefits of allowing trademark owners to simultaneously file for registrations in numerous jurisdictions through one single application lodge in English, French or Spanish. Consequently, we believe that these negotiations are a good opportunity for the bilateral agreement to contain a specific date by which accession must occur, instead of a "best efforts" clause.

The second treaty is the Singapore Treaty on the Law of Trademarks, to which, unlike Australia, India is not yet a member. We submit that India should become a member of this treaty which allows its signatories a degree of flexibility and freedom while providing many clear benefits and encouraging a modern and dynamic framework for harmonizing international trademark registration procedures.

As set out in the attached MFTA, both the Madrid and Singapore treaties are supported by INTA because they expedite registration, reduce costs and help ease administrative burdens on trademark owners while in turn promoting trade between Australia and India.

Trademark Registration Procedures

Although in recent years, India has made significant progress on trademark office practices, most noticeably on automation and training of its examiners, INTA members report they still encounter a range of issues with the registration procedures followed by the Indian Trademark Office.

Some of these issues deal with the backlog in processing trademark applications. We submit that a requirement should be put in place to deal with applications in a timely manner and to promptly clear the backlog. The same applies for clearing trademarks marked as opposed, where the application or opposition has subsequently been withdrawn. Clearing this backlog would, we anticipate, remove 30-40% of pending opposition matters from the register. These and a number of other challenges can only be rectified through increased staffing at the Indian Trademark Office, including the appointment of additional registrars. Further, all new and existing staff require specialized training in trademark law to resolve the current issue of trademarks being objected to on grounds that do not appear to have merit.

Examination Proceedings

Our members have also encountered issues with the quality of trademark examination process in India, which in a large number of cases has led to the acceptance of identical or substantially similar trademarks for the same or similar goods. In our experience, written submissions in response to examination reports are often not taken into consideration and instead hearings are scheduled at short notice or submissions are lost by the examiner and need to be resubmitted. In addition, the trademark database is often incorrect or not up to date. This, combined with the backlog of trademark applications not yet processed, cause problems and errors in the examination process. Rectifying this issue will require additional training of examiners, and, as mentioned above, increasing staffing.

It is widely acknowledged that the current Indian trademark database contains a large number of errors, which require correction to ensure that trademark searches are accurate. For example, the status of trademarks is not always correct and a large number of trademarks are shown, in error, as abandoned. As a result, trademark searches cannot be relied upon. Of further concern, over 20,000 trademark registrations have been recorded incorrectly. Again, this raises issues with enforcement, oppositions and renewals. As a result of errors in the initial recording of the

trademark applications, or due to further typographical errors, there are also often errors in the trademarks when advertised in the official journal.

INTA understands one of the main objectives in the Trade Cooperation Agreement and any future FTA, is to commit the Parties to broad principles that will promote trade, and the day-to-day office procedures such as examination standards and/or office practices on registration proceedings as mentioned above are omitted from these agreements. Thus, INTA recommends including general provisions calling for registration procedures concerning the acquisition or maintenance of trademark rights to be fair, equitable and transparent.

Furthermore, INTA recommends provisions to ensure that registration procedures should not be unnecessarily complicated or costly or entail unreasonable time limits or unwarranted delays. Sections II 5-16 of MFTA provides recommendations aimed at improving trademark office practices on registration, examination and cancellation proceedings that can improve and deal with the backlog and examination issues outlined above.

Comparative Advertising

Indian laws relating to comparative advertising are substantially different to those consumer protection laws in force in Australia. Indian law focuses on preventing disparagement of competitors rather preventing statements that are false or misleading. In our view, the availability of comparative advertising encourages competitors to innovate and improve products and services, and increases competition while providing consumers with useful information which assists with their purchasing decisions. We submit that Indian laws should be amended to provide for consumer protection as its primary focus; preventing false or misleading advertisements or other acts of unfair competition.

INTA supports comparative advertising which is truthful, not misleading, consistent with principles of fair competition, and not harmful or damaging to the marks of competitors. However, legal controls should be implemented to prevent false or misleading advertisement or other acts of unfair competition. See Part II Section 11 of the MFTA for INTA recommendations.

Enforcement of trademarks Rights

Current enforcement provisions under Indian trademark law vary significantly from enforcement provisions contained within Australian trademark laws. These differences include cumbersome evidentiary requirements that result in prolonged delays.

We take this opportunity to identify two examples of specific areas where our members have experienced particular issues with enforcement of trademark rights in India. Current Indian trademark legislation empowers police to conduct search and seizure actions against infringers. However, under the current legislation, following receipt of a complaint of trademark infringement, a police officer is required to obtain the opinion of the Registrar of Trademarks that goods are infringing before the police officer can carry out the search and seizure. The decision of the Registrar of Trademarks is binding on the police officer. This requirement results

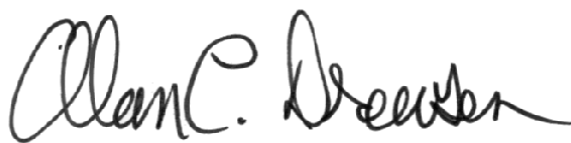
in unnecessary delay due to infrastructural and logistical issues within the registry and raises concerns regarding confidentiality, as information may be leaked before the search can be conducted. To alleviate these issues, we submit that the police should be trained to search the online trademark database to ascertain relevant trademark registration details and to assess the similarity in trademarks to determine whether there are reasonable grounds to conclude that trademarks are infringing, and whether a search and seizure should therefore be carried out. We note that under current Indian copyright legislation, the police have the power to search and seize with no prior opinion of the Copyright Board or Registrar.

Although under s140 of the Indian Trademarks Act a trademark owner can give notice in writing to the Collector of Customs to prohibit the import of goods which infringe a registered trademark, there is currently no similar law preventing the export of infringing goods. Rather, the proprietor has to obtain a court order and produce it before the Customs authorities to prevent counterfeits from being exported. This process is cumbersome and, we submit, should be streamlined by establishing similar regimes prohibiting the export of counterfeit goods as currently apply to the import of such goods.

Part IV of the MFTA sets out INTA's recommendation on Enforcement provisions to encourage governments to enact legislation and promulgate regulations that go beyond the minimum enforcement standards required under TRIPS Agreement. INTA supports the inclusion of its model provisions. Detailed rationales for these extended enforcement procedures are clearly set out in the attached MFTA.

This submission was prepared by INTA with the assistance of members from Australia and India as well as members of INTA's policy staff as part of the policy development work carried out by the Free Trade Areas Subcommittee. On behalf of INTA, thank you for considering our views on these issues. Should you have any questions or require additional input on this submission, please contact Laura Cruz, INTA Staff Liaison at lcruz@inta.org. Or should you wish to meet with us in person regarding this submission we would be pleased to have a representative from INTA meet with you at a time and location convenient to you.

Sincerely,

A handwritten signature in black ink, appearing to read "Alan C. Drewsen". The signature is fluid and cursive, with a large initial "A" and "D".

Alan Drewsen
Executive Director