

INTERNATIONAL TRADEMARK ASSOCIATION
COMMENTS ON THE
DRAFT NATIONAL INTELLECTUAL PROPERTY RIGHTS POLICY

29 January 2015

The International Trade Mark Association (INTA) greatly appreciates the opportunity to participate in this consultation process afforded by the IPR Think Tank under the auspices of the Department of Industrial Policy & Promotion (DIPP), and to provide comments on the first Draft of the National Intellectual Policy for India (the “Draft Policy”). INTA commends the efforts of the Indian government to enhance the effectiveness and efficiency of India’s intellectual property system to not only promote economic growth and benefit consumers in India, but also to be more responsive to the needs of intellectual property owners and users. We also applaud the IPR Think Tank in providing a comprehensive and incisive first draft of a policy which is of vital importance to India’s future.

INTA is a not-for-profit membership association of more than 5,900 trademark owners and professional firms from more than 190 countries. The Association was founded in 1878 and is dedicated to the support and advancement of trademarks and related intellectual property as elements of fair and effective national and international commerce. INTA members share common interests in the protection of trademarks and the development of trademark law, and they rely on INTA to represent and advocate for those interests with national governments and international organizations. INTA's diverse membership includes multinational corporations and other business enterprises of all sizes, intellectual property and general practice law firms, trademark agent firms, service firms, trademark consultants, and academic institutions.

Currently, INTA has over 190 member companies and firms in India. In addition to our Indian members, INTA has many members globally who are active in protecting and enforcing their intellectual property rights in India. Accordingly, INTA has a keen interest in both the promotion of trademark awareness and use in India and adequate means of enforcement of trademark rights. Over the past few years, INTA has provided comments to the Indian government regarding key laws, important cases before the courts, improvements in the operations and efficiency of the trademark registry, and enhancement of enforcement efforts by Customs, the courts and the police.

While INTA agrees with the IPR Think Tank that the National IPR Policy should take a holistic approach encompassing all of the various components of intellectual property, our expertise lies mainly with trademarks. Accordingly, our comments are focused on trademark policy and related rights. INTA also takes the view that trademark rights and other intellectual property rights should be “balanced” both in overall national policies (e.g. health policy) and in their enforcement as they pertain to related rights (e.g. traditional knowledge) and the goal of protecting consumers. Our comments follow the general structure of the Draft Policy.

IP Awareness and Promotion

INTA supports the IPR Think Tank's overall recommendations to increase the awareness of the importance of IP to India and to promote its integration in the economy. An additional consideration would be for the government to conduct an in-depth study in this regard to demonstrate the overall value of IP to the economy and, in particular, to the citizens of India who would greatly benefit both personally and economically from the growth of the IP sector. Such a study might be modelled after the studies conducted in 2012 by the U.S. government entitled "Intellectual Property and the U.S. Economy," which can be found at http://www.uspto.gov/news/publications/IP_Report_March_2012.pdf, and a similar study by the European Commission released in 2013 entitled "The Impact of Intellectual Property Intensive Industries in the European Union," which can be obtained at <https://oami.europa.eu/ohimportal/en/web/observatory/ip-contribution>. INTA suggests that a similar study for India would bolster arguments for allocating resources to strengthen the IP system and justification for necessary legislative and regulatory changes to facilitate India's path to becoming an advanced, knowledge-based economy.

Creation of IP

In addition to the benefits mentioned above, a comprehensive study on the economic and personal benefits of IP to India also would reveal the various avenues by which IP can be generated. The importance of trademarks to this process is cited in the Draft Policy in terms of the number of filings, particularly from indigenous companies and entrepreneurs. Accordingly, INTA commends the IPR Think Tank's recommendation that a comprehensive IP audit or base-line survey in various sectors in cooperation with stakeholders would foster creative growth in IP. In the area of trademarks, we believe such an audit should have as a primary focus small to medium size enterprises which are the well-spring for innovation and jobs in most economies. The IPR Think Tank is correct in noting that large corporations, both Indian and foreign, should be encouraged to create, protect and utilize IP in India. However, INTA suggests that additional legal framework and enforcement tools must be made available in order for such creation and investment to take place.

INTA is in the process of looking at how brands impact innovation and vice versa. A key objective of the work is to demonstrate how brands promote and foster innovation and drive economic growth. Of relevance to the IPR Think Tank's recommendations is that we have found positive correlations between brands and innovation that help innovators to generate revenue, receive a return on investment and collect "rents" for their innovations, which can in turn inspire reinvestment of such revenue in new R& D.

We support the need to protect other types of intellectual property such as geographical indications and traditional knowledge. However, in establishing such *sui generis* systems, the fundamental priority principle must be maintained so that prior existing rights are not infringed or compromised. INTA has contributed to discussions in the World Intellectual Property Organization and other fora on ways to ensure a balanced approach to protection the various forms of intellectual property and hopes that India considers all aspects of these issues.

Legal and Legislative Framework

INTA strongly agrees with the IPR Think Tank's statement that the India's IP laws need to be periodically reviewed in order "to provide a legal framework for strong, effective and balanced protection of IP rights and to impart predictability, transparency and efficiency in the administration and enforcement of IP Laws." We also agree with many of the suggestions enumerated in the Draft Policy as it pertains to trademarks. However, there are some areas that might be mentioned specifically in the Draft Policy to substantiate the need for some legislative reform:

- India should join the Singapore Treaty on Trademark Law which sets the benchmark for trademark office procedures and regulations which would not only help to improve the operations of the Trade Marks Registry, but also would signal to India's trading partners that it is serious about modernizing its trademark office.
- There is a need for harmonization of the laws pertaining to trademarks, patents, designs, copyright, geographical indications and plant varieties in terms of jurisdictions of the courts where the right holder is carrying on the business. Currently, a right holder can initiate infringement proceedings in jurisdictions where it is carrying on business limited to trademark, copyright and geographical indications infringement. There is no such parallel provision in the case of design infringement or passing off.
- An example of need for legislative review is Section 115 of the Trade Marks Act which requires prior approval from the Registrar of Trade Marks before the policy can initiate investigation, search and seizure and which should be deleted.
- With this section and other sections such as "Enforcement," the Draft Policy should include a discussion of the need to create greater deterrence against infringement of intellectual property. Accordingly, the Draft Policy should discuss the urgent need of incorporating the concept of "statutory damage" in the existing IP laws which should be significant and substantial in order to deter the violation of IP rights.
- Another area not clearly stated in the Draft Policy is the impact of the Internet on the legal framework for dealing with IP infringement over the Internet. Such issues that may be addressed would be anticybersquatting legislation, intermediary liability, takedown and blocking authority/procedures, and access to information on the owners of websites, just to name a few.
- The legal framework should also consider the impact of other policies, such as health policy, particularly with respect to trademark rights. Although certain objectives within these policies are indeed laudable, they should be considered with respect to the objectives of the Draft Policy in order to seek some balance in order to benefit society as a whole.

IP Administration and Management

INTA also strongly supports the IPR Think Tank's Objective 4 in the Draft Policy which is to modernize and strengthen IP administration for efficient, expeditious and cost effective grant and management of IP rights and user oriented services. INTA has been engaged over the

last four year with the Office the Controller General of Patens, Designs and Trademarks (CGPDTM) and is please to the steps to be taken to achieve this objective. Some areas of that continue to need emphasis are the following:

- ***Financial Autonomy***-- As a general proposition, INTA believes it desirable that any Intellectual Property Office (IPO) should be a financially autonomous agency. The Office also should have the ability to establish its budget, set reasonable fees and make hiring decisions based on the demand for its services. User fees should be retained by the Office to fund and improve operations rather than being absorbed into a general budget and then reallocated back to the IPO. INTA has observed in a number of jurisdictions that more often than not, revenues that do not remain within the control of the Office are diverted for uses other than its funding. We speculate that for the Indian IPO sufficient funds would be available for operations if all revenue generated through the Office was remitted back to the IPO. Further, if the trademark operations remain under the umbrella of a larger IPO, INTA recommends that fees collected for trademark registrations and related operations be used solely for the trademark office and not commingled with the other intellectual property registry operations, such as patents, designs or geographical indications. The trademark office should, however, be fairly assessed to support shared operations of the IPO.
- ***Number and Quality of Examiners***-- INTA believes that it is absolutely critical to have a sufficiently large pool of well-educated and well-trained examiners in order to meet the needs of trademark owners and all users of the system. Without sufficient numbers of examiners, attempts to lower the current backlog poses a serious risk that the quality of examination will suffer, which, in turn, may erode user's confidence in the system. Most importantly, the examiners should be compensated at a rate which is competitive with the private sector in order to assure attracting and retaining highly competent personnel.
- ***Clear Examination Guidelines***-- Certainty of outcomes is a hallmark of a successful trademark office. Clear examination guidelines provide a useful tool not only for examiners but also for users of the system to ascertain in advance how a particular case may be examined. The office of the CGPDTM has published a draft manual for trademark practice & procedure which includes examination guidelines. INTA also has developed model guidelines for trademark examination, which we have presented to jurisdictions around the world, and we would be pleased to assist the Office in providing training for examiners on key examination issues.
- ***Clear Process and Predictable Timeframes***-- Certainty in terms of process and timeframes is highly valued by IP owners and users of the system. Many offices worldwide achieve this by setting key performance indicators (KPI) for their examiner core and then measure performance on a periodic basis (monthly or at least quarterly). In the case of India, it would of course be desirable to also ensure uniformity across the five different offices, if those offices are to retain separate cores of examiners. As noted previously, INTA strongly recommends that India consider joining the Singapore Treaty on the Law of Trademarks which creates an international framework for the harmonization of administrative trademark procedures.

- **Transparency**-- Transparency of the office procedures and the decision making process is vitally essential. Other trademark offices have addressed this through a KPI program as mentioned above. Consideration should be given to improving the current process for receiving input from users which meets periodically with Office management to discuss key issues. Overall, both the offices and user organizations like INTA have found more open and scheduled meetings are extremely helpful in improving communications and managing expectations.
- **Application of State-of-the-Art Technology** – INTA is very pleased with the Office’s efforts in adopting electronic filing, particularly with India’s accession to the Madrid Protocol. This should greatly improve the application process, as well as maintaining the register. Nonetheless, the Office needs considerable support and resources in order to advance the system. INTA members have a great deal of experience with electronic filing systems that are maintained by various offices throughout the world and we would be happy to work with the Indian Office on perfecting its system.

Enforcement and Adjudication

INTA endorses many of the recommendations of the IPR Think Tank with regards to enforcement and adjudication, such as setting up a multi-agency task force for coordination of enforcement agencies and the educating not only the general public about the harms of counterfeiting, but also the youth. INTA’s Unreal Campaign directed at youths age 14-18 has been well-received in the U.S. and other jurisdictions which may serve as a model for India’s initiative under the Draft Policy.

INTA also agrees with the recommendation to use coordination on a national level to strengthen enforcement efforts through the various levels of government. However, we suggest that a specific timeframe for these measures, as well as other proposals throughout the Draft Policy, be set out to provide an incentive to the government to act.

We also support the recommendations to facilitate IP dispute resolution. Our suggestion would be that the proposed “patent benches” become broader in scope and become “specialized IP judiciary” that cover all forms of intellectual property, including trademarks. Through this process, judges would develop expertise and special knowledge of such IP matters which would benefit not only litigators, but IP rights holders and users in general. We believe such specialize judiciary could be developed in the Supreme Court, as well as all of the High Courts and the District Courts.

Finally, the Draft Policy might contain a recommendation on a specialized administrative/executive body to deal with cases of online IP rights violations. Currently, actions in cases of online IPR violations are handled by iCERT (Indian Computer Emergency Response Team) or the EOW (Economic Offenses Wing) of the Indian Policy. However, these two bodies have neither the clear mandate to deal with online IPR issues nor separate workforces to deal with them. Such a mandate and dedicated resources for these two agencies or a completely new body to deal with these issues might be considered.

Conclusion

Again, INTA applauds the work of the IPR Think Tank in its work on its first Draft National IP Policy. We believe that most of the recommendations, with a few noted enhancements, will serve users of the IP system and promote economic and social progress in India. INTA welcomes the opportunity to participate in any further discussions on the Draft Policy and of course stands ready to provide input and support for its implementation.

If you have any questions, please contact INTA's Representative in India, Ms. Simran Daryanani Zainulbhai at SDaryanani@inta.org.