

INTA's Comments to the Draft Designs (Amendment) Rules, 2019

I. Introduction

The International Trademark Association (INTA) thanks the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India for the opportunity to provide comments on the Draft Designs (Amendment) Rules, 2019.

INTA is a membership association of more than 7,200 trademark owners and professionals from more than 191 countries. INTA's total membership collectively contribute almost US \$12 trillion to global GDP annually. The Association's member organizations represent some 31,000 trademark professionals and include brand owners from major corporations as well as small and medium sized enterprises, law firms and non-profits. INTA undertakes advocacy work throughout the world to advance trademarks and related rights, and offers educational programs and informational and legal resources of global interest. INTA's key objective is to support trademarks and related intellectual property (IP) to foster consumer trust, economic growth, and innovation. Please visit www.inta.org for more details.

INTA appreciates your consideration of its comments on the draft Amendment Rules. This document was prepared by members of the INTA Designs and Trademarks Office Practices Committees. If you have any questions or concerns, please do not hesitate to contact INTA Policy Officer, Carolina Oliveira at coliveira@inta.org; or INTA India Consultant, Gauri Kumar at gkumar.consultant@inta.org.

II. Summary of Amendments proposed under the [Draft Designs \(Amendment\) Rules, 2019](#):

- a) Implementation of Accession to Locarno Agreement: The amendment substitutes the existing classification of goods under the Industrial Designs Act with the International Classification for Industrial Designs (Locarno Classification). This is in light of India's accession to the Locarno Agreement (in addition to Nice and Vienna Agreements) earlier this year in June 2019. As per the amendment, the international classification system will be adopted as the *primary system* of classification of goods for industrial designs in India.
- b) Recognition of Start-ups: Start-ups are now recognised as a separate category of Applicants for the purposes of filing design applications in India (just like for Patents). Indian as well as foreign start-ups are eligible to claim the status and avail applicable benefits in terms of concession in official fee.
- c) Streamlining of official fee framework: Existing framework of official fee comprising 3-tiers (viz. full fee for large entities; 50% concession for small entities; and 75% concession for natural persons) has been replaced with a simple 2-tier arrangement wherein all the applicants under the category of natural persons, start-ups, as well as small entities are entitled to 75% concession on all official fee payable. It is also clarified that if an entity, pursuant to filing a

design application claiming start-up/small entity status, ceases to be a start-up or small entity, it is not liable to pay the difference in scale of official fee already paid at the Designs Office.

III. INTA's Comments to the proposed amendments:

- a) Considering the existing classification system will be replaced by the Locarno classification system, issues may arise with respect to Class 32 of the Locarno classification system which includes, inter alia, *graphic symbols* and *logos*, which may fall under the definition of 'trademark' and thus may appear to be excluded from the current definition of 'design' under the (Indian) Designs Act. We recommend that a clarification be provided to rule out any scope of possible ambiguities.
- b) In case of foreign entities claiming status of start-up or small entity, it is not clear as to what (nature and extent of) evidence is mandatory or sufficient for the purposes of establishing the qualifying criteria. The statutory Declaration under Form-24 (under the proposed amendment) specifies the required supporting evidence in case of foreign entities as "*Any document as evidence of eligibility*". In absence of any public guidelines or rules with respect to the evidence, often different (and sometimes unexpected) standards of evidence requirements and compliances are being adopted and sought by the Patents and Designs office in different cases, which makes it difficult to determine the nature of evidence and manage the expectations of Applicants. Particularly in cases of small entities (where the eligibility criteria is based upon the investments made by the Applicant in plant and machinery worldwide), it is often not possible to deduce the actual break-up of investments towards plant and machinery from the annual balance sheet or profit and loss statements or other financial documents of the company. In such cases, it should be possible to fulfil the requirement by filing an Affidavit from the concerned person of the Applicant company. INTA therefore recommends that it be clarified what concrete evidence is needed to meet the qualifying criteria. Where it is not possible to establish the amounts invested in plant and machinery, INTA suggests that an Affidavit from the concerned person of the Applicant company be accepted as sufficient evidence. We recommend that this be clarified in the proposed amendment.
- c) It is not clarified in the proposed amendment as to whether the Declaration of Small Entity / Start-up and the supporting evidence is required to be furnished each time an official fee is paid with respect to any filing in a design application [Recently, the Patent Act was amended to include a provision that every document in respect of which an official fee has been specified must be accompanied with such Declaration and evidence, perhaps to ensure the that the status of the Applicant has not changed]. Absence of clarification on this point leaves scope of variations in objections and in practice. INTA recommends that this aspect be clarified in the proposed Amendment.
