

Intimation to TM Registry for Trade Marks Filed under Proposed to be Used Category

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A trademark application in India is filed either under user category or under proposed to be used category. User category signifies that the trademark has been put to use from a considerable period of time and proposed to be used signifies that the applicant had not yet started using his trademark but shall put it to use any day or time after an application for registration is made. The problem arises when several trademark applications are being filed under proposed to be used category; the parties so filing an application under proposed to be used category do not intimate the registry that they have started using the trademark which at the time of making application was filed under proposed to be used category. Lack of intimation from such trade mark applicants to the Trade Marks Registry affects the interest of those parties who intend to file application for trademark. The authors will justify the need of an intimation rule in the Trade Marks Rules, 2017 with valid reasons.

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The trademark application contains several components such as applicant details, address for service, category of mark etc. and one of the most important components amongst those is the statement as to use of mark which provides for two options. Under the component of statement as to use of trademark, the first option to select is “proposed to be used” and the second option is that “the mark is used by the applicant or its predecessor in title since XYZ date” in respect of the goods and service mentioned in the application”.¹ Rule 25(2) of The Trade Marks Rules, 2017, “*In case, the use of trademark is claimed prior to the date of application, the applicant shall file an affidavit testifying to such use along with supporting documents*”.²

This rule very well substantiates the second option which states that if the usage of trademark is claimed by the applicant prior to the date of application, then the applicant shall file an affidavit testifying the usage of trademark. There is no such rule in the Trade Marks Rules, 2017 which states that if a trademark application is filed under proposed to be used category, the applicant need not intimate the registry upon the usage of trademark or even file an affidavit which shall testify that the applicant has started the

use of trademark. When the Trade Marks Rules, 2017 provides for end number of rules such as rule for seeking preliminary advice from registrar regarding the distinctiveness of trademark, rule for statement of user in applicant; then the addition of a new rule for intimation should not be a concern. The research questions that revolve around are firstly, whether the trademarks registry owes an obligation to update the public records especially information pertaining to use of a trademark. Secondly, whether the updation of trademark usage records benefits the general public and prospective trademark applicants. Thirdly, trademark applicants having filed trademark under proposed to be used category carry a legal duty to intimate the trademarks registry with the date, month and year of having started the use of trademark.

Demarcating Line between User of Trademark and Proposed User of Trademark

It is important to note that trademark rights are established even without securing registration as based on common law.³ Section 11 (3) of the Trade Marks Act, 1999 reads as “*A trade mark shall not be registered if, or to the extent that, its use in India is liable to be prevented by virtue of any law in particular the law of passing off protecting an unregistered trade mark used in the course of trade*”.⁴

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Trademark rights in India are adopted by continuous, extensive and uninterrupted use of a trademark.⁵ The trademark applicant prior to filing an application holds a right to know the conflicting trademarks. However, the TradeMarks Registry holds records of only those trademarks for which an application is made as several trademarks being put to use have not approached the Trade Marks Registry for registration because of umbrella Section 34 of Trade Marks Act, 1999. An application for registration of trademark filed in Form TM-A⁶ includes a column titled as ‘user category’ wherein the trademark applicant has to either specify the date, month and year from which he is using the trademark or has to mention proposed to be used if the trademark has not been used so far. The former signifies that the trademark has already been used by the applicant who is now intending to secure the registration whereas the latter signifies that the trademark has not been used by applicant but there is an intention to use it in near future. A question that arises is how the general public or other trademark applicants be affected with the user category and proposed to be used category. For several reasons, a public search is conducted to avoid unnecessary litigation costs. A public search before filing a trademark application is carried out to ascertain whether the applicant should proceed with the registration of the proposed name or not. The TM search report gives a clear understanding to the applicant in arriving at a conclusion as to whether an application has to be filed or not on the basis of several parameters:

- (i) The conflicting mark as appearing in the search report is deceptively or exactly similar to the applicant’s mark
- (ii) Whether the registered owner of a conflicting trademark has started using the trademark or not
- (iii) If the registered owner of conflicting trademark has not used the trademark as per the official records of TradeMarks Registry, then the applicant’s trademark even though might appear to be deceptively similar may take a decision to file a trademark application on the notion that he is the prior user of trademark who has a better title than the registered one.

Proving Trademark Use

The use of trademark is not required to be proved when an applicant files a trademark under proposed to be used category. The proof of usage arises only in case of any legal action i.e., when an unregistered

owner of trademark initiates a passing-off suit. The following documents can be used to support the use of trademark such as commercial invoices and bills, storage and packaging, labeling of boxes displaying the trademark, brochures or advertisements, or pamphlets that prove the association of the mark with the product, supply contracts and shipping documents, licensing agreements for manufacture, commercial rental agreements indicating the use of the mark with respect to goods and services, records relating to the payment of tax etc.⁷ Ownership rights arise from use and use is a pre-requisite for enforceability.⁸

Non-Update of Information Regarding Usage of Trade Mark

Whenever information is being sought by the trademark applicant on the official website of Intellectual Property India,⁹ the information so received by the applicant has to be updated. Trade Marks Registry as a public authority owes a duty to disclose the updated information to all individuals requesting to access the information. In case of trademark filing and procedure, there is an access to information available on the official website of Intellectual Property India and the information remains un-updated. The same is substantiated by conducting case studies.

Case Study of Trademark ‘Pulse Medika’

This study is conducted to substantiate the above issue of non-updating of information by the Trade Marks Registry with special reference as to usage of trademark. This case study has been executed after perusing the records of e-register of Trade Marks Registry to determine whether the records pertaining to “statement as to usage of trademark” are updated or not. An application for trademark “Pulse Medika” vide application no. 1142345 had been filed on 10/10/2002 and the user detail column in the e-registry portal reveals that the trademark is “proposed to be used”. The applicant of a trademark while filing application in the year 2002 had filed under proposed to be used category.

Now, the trademark is put to use and the information is not yet been updated by the Trade Marks Registry on its e-register. The usage of trademark has been traced by the author from other sources which reveals that the trademark has been put to use. There have also been numerous instances where the registry has records of user date which are

acquired at the time of opposition filings or at the final stage of opposition hearings but are neither updated by registry nor informed by the registered owner of trademark.

Findings of Case Study

Trade Marks Registry being a public authority has an obligation to maintain and upgrade its online records as per the Right to Information Act, 2005 which reads out as: *“Every public authority shall maintain all its records duly catalogued and indexed in a manner and ensure that all records that are appropriate to be computerised are, within a reasonable time and subject to availability of resources, computerised and connected through a network all over the country on different systems so that access to such records is facilitated”*.¹⁰ However, Trade Marks Registry is not aware that the applicant who had filed the trademark under proposed to be used category is now using the trademark. Lack of a rule as to make mandatory intimation to the Registry upon the usage of the trademark. Apart from this, there are several trademarks available on the website of the Trade Marks Registry which reveals that those trademarks have been filed 30 to 40 years back under proposed to be used category and still the records of e-register of Trade Marks Registry reveals the same.

Case Study of Trade Mark ‘Tuborg’

This case study pertains to the trade mark ‘Tuborg’ which is known to large number of public. The official records of the Trade Marks Registry reveal that the application for trademark ‘TUBORG’ was filed on 7 February 1947. The said trademark was filed under proposed to be used category. How is it possible that the status of trademark in the year 2023 still reveals as proposed to be used. The records are evident that the Trade Marks Registry is not updated.

As on 1 September 2023, the user detail still stands as proposed to be used but the trademark has been put to use. An ordinary man might also be aware regarding the usage of this trademark. There might be arguments to this issue. One of such argument could be that the trademark applicant should be aware and must conduct due diligence before filing a trademark application. The counter argument to the same is when the Trade Marks Registry is providing an option of public search on its official website, then why would the trademark applicant conduct a

market study as to whether a trademark has been put to use or not.

Public Search and Use of Trade Mark

The registration procedure under the Trade Marks Law nowhere states that public search is mandatory prior to the registration of Trade Mark. Even though not being mandatory in nature but before making an application for registering a trademark in India, the applicant whether it be any individual, startup or any organization as a matter of general practice has to conduct a prior search on the official website of Office of the Controller General of Patents, Designs and Trademarks, Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (www.ipindia.nic.in). Public search option is provided for patents, trademarks and designs. The individual before making an application has to click on the trademark option in public search and upon clicking the same; a new window will appear wherein any individual can search for similar trademarks.

Individuals and those organizations that setup a new business usually conduct a prior search as per the direction of their authorized representative or advocate. Prior search is not specified as a procedure for registering a trademark but becomes an important procedural aspect to be followed. While conducting a public search, one can figure out the number of trademarks which are conflict, the goods in which conflicting trademarks deal with and the recognition of the conflicting trademarks in the market. If the conflicting trademark is that mark which has gained enviable reputation in the market, then the individual or organization is suggested not to proceed with the application as it would involve unnecessary cost for opposition proceedings and further trademark litigation. The procedural difficulty is that some of the authorized representatives and advocates for their clients don’t even conduct a public search before filing trademark application and after being an opposition raised by other trademarks, the client is left with no other option except to proceed with the opposition or to withdraw its trademark. It has been observed that only those individuals, firms or organizations whether it is national or multi-national earning huge profit and their majority of profits being dependent on a particular trademark proceed with filing trademark application even after the existence of numerous conflicting trademarks in public search report.

Consequences of Non-Update of Information as to Use of Trademark

It is a problematic situation for an individual or a company before filing trademark application to determine the existence of any conflicting trademark wherein they are the prior user than the registered conflicting trademarks. The procedural difficulty which arises is that most of the authorized representatives and advocates don't conduct a deep introspection of the conflicting trademarks. Those who look for the user date of any registered conflicting trademark just rely on the user date mentioned on e-registry portal or on the official website of company owning conflicting trademark rather than identifying defaults committed by the proprietor of conflicting trademark in submitting sufficient evidences to substantiate their user claim. There have been number of situations where the user date mentioned by the conflicting registered trademark is not as per the evidences submitted and the TradeMarks Registry have failed to look into these aspects. The only moment when the issue of prior user is argued before Trade Marks Registry is when rectification petition is filed either before TradeMarks Registry or IPAB challenging the validity of a registered trademark.

Addressing the Usage Issue of Trade Marks Filed under Proposed to be Used Category

With regard to the category of user and category of proposed to be used, the first category i.e., category of user has no impact as the user date is mentioned in the application and the individual or organization claiming user date have to substantiate their user claim with proper evidences. Rule 25 of the Trade Marks Rules, 2017 reads as follows:

- (1) *"An application to register a trademark shall, unless the trademark is proposed to be used, contain a statement of the period during which, and the person by whom it has been used in respect of all the goods or services mentioned in the application.*
- (2) *In case, the use of trademark is claimed prior to the date of application, the applicant shall file an affidavit testifying to such use along with supporting documents".¹¹*

Rule 25 contains a phrase "unless the trademark is proposed to be used". This phrase has been left ambiguous by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India. When a trademark application

is filed under user category, then the applicant is supposed to file an affidavit known as user affidavit. On the other hand, if the trademark application is filed under proposed to be used category, and then the applicant is not supposed to file an affidavit known as user affidavit as per Rule 25.

The second category i.e., 'proposed to be used category' has to be understood in a different way as when the applicant files an application for a trademark without user date and states as proposed to be used, then the individual or organization after getting registration may use it after 1 year or 5 years which cannot be ascertained. Now, the issue which arises is while conducting a search report, the applicant before filing trademark application will rely on the record of TradeMarks Registry while comparing his trademark with the conflicting registered and un-registered trademarks on e-register of Trade Marks Registry and even if the conflicting trademark has been put to use after being filed in proposed to be used category, the person conducting a search will rely on the fact that the trademark is not in use which actually does not happens in most of the cases. Non-updating of the user status in application after filing application in proposed to be used category misleads other users of trademark intending to make application.

The procedural difficulty is that there exists no rule in the Trade Mark Rules, 2017 which states that the individual or organization who file a trademark application under "proposed to be used" category have to intimate the registry regarding the usage of their mark so that the records of registry be updated. The Proposed Rule to address such issue shall read out as:

"Any Individual, partnership firm, startup, corporate or any other organization filing an application of trademark as "proposed to be used" under the column of statement as to use of mark in FORM TM-A shall intimate the Registrar within a period of 30 days from the date of using the trademark and shall also file an affidavit testifying to such use along with supporting documents".

Further, a trademark application is subject to amendment. Rule 37 of Trade Mark Rules, 2017 regarding the correction and amendment reads out as follows:

"The application for registration of a trademark may, whether before or after acceptance of his application but before the registration of

*trademark, apply in form TM-M accompanied by the prescribed fee for the correction of any error or in connection with his application or any amendment of his application”.*¹²

The said rule clearly figures out that once a trademark is registered; there cannot be any amendment to the trademark application. An amendment to the application of trademark can be done prior to its registration. Therefore, once a trademark is registered, the column “statement as to use of trademark” cannot be changed. This rule acts as a hindrance to update the user category of trademark from “proposed to be used” to “put to use since....This rule also requires to be amended to address the issue of trademark usage.

The Government of India, Ministry of Personnel, Public Grievances and Pensions, Department of Personnel and Training through its various office memorandums directed all the Ministries And Departments to comply with Section 4 of the Right to Information Act, 2005 regarding the maintenance of records and publication of information.¹³ Also, public authorities should publish and update the information every year. However, the records of the TradeMarks Registry are very well substantiating their failure in not providing the citizens with updated information. Section 19(8) (b) of the Right to Information Act, 2005 reads as ‘*require the public authority to compensate the complainant for any loss or other detriment suffered*’.¹⁴ The Central Information Commission had pointed that any default on the part of trademarks registry shall entitle the complainant for being eligible for the compensation. While perusing the registration procedure, it is important to state that the trademark applicant has to follow the statutory timelines such as filing reply to examination report within a period of 30 days, filing counter statement within a period of 2 months etc. Further, if the trademark applicant doesn’t comply with the statutory deadlines, his trademark shall be abandoned. The point is to make the Trade Marks Registry accountable for not updating the records as it is a public authority. Not only trademarks registry as public authority but also to include every public authority that fails to update the information. The non-updation of information by registry is affecting the right to information of a trademark applicant. Therefore, the public authorities should also be equally made accountable for not updating the records and as a consequence of the same, the trademark

applicants should not suffer at the cost of registry for non-updation of records.

Conclusion

In order to overcome the difficulties, the authors would like to conclude that inclusion of new rule in the Trade Marks rules, 2017 as to mandate the trademark applicant to inform the Registry upon the usage of trademark. Providing an option to the trademark applicant to file TM-M for amending the particular column of “statement as to use of mark” in TM-A application even if the trademark application gets registration. Until, the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry adds a new Rule in the TradeMarks Rules, 2017. The authors hereby propose a new rule in the Trade Marks Rules, 2017 as follows: “*Any Individual, partnership firm, startup, corporate or any other organization filing an application of trademark as “proposed to be used” under the column of statement as to use of mark in FORM TM-A shall intimate the Registrar within a period of 30 days from the date of using the trademark and shall also file an affidavit testifying to such use along with supporting documents”.*

Section 4 of the right to information Act, 2005 states the obligation of public authority. Section 4(2) of the right to information states that the public authority shall suo-moto take steps to provide as much as information at regular intervals through the use of internet. Therefore, the Trade Marks Registry shall *suo-moto* take steps to provide information at regular intervals. Section 4(3) of the Right to Information Act, 2005 emphasizes that it is the obligation of the public authority to disseminate information which can be easily accessible; means easy access of information.

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