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PCT THIRD PARTY OBSERVATIONS & PRE-GRANT OPPOSITION IN INDIA: AN ANALYSIS:

SUCHI RAI

Pre-Grant Opposition in India:

In India there is provision of Pre- Grant Opposition, whereby any person can represent by way of opposition to the Controller of Patents against grant of a patent for any invention based on specific grounds as mentioned in Section 25(1) of Indian Patents Act, 1970. In case the Opposition representation is found to be valid, it may assist Patent Office in taking decision with regards to patentability of an invention before a Patent is granted to the invention, thereby resulting in grant of valid patents.

PCT Third Party Observations:

In the international phase of PCT application, originally the only people involved were the applicant and the Offices conducting various aspects of processing (receiving office, International Bureau and International Searching and Preliminary Examining Authorities). Third parties were getting some information during the process of International Phase, but have had no opportunity to comment unless the application entered the National Phase and as allowed by National laws.

World Intellectual Property Organization (WIPO), introduced Third Party Observations Service, whereby third parties are permitted to make certain observations on an international application during the international phase if they believed that the claimed invention is either not new (lacks novelty) or is obvious (lacks inventive step).

Analyzing the two system provisions regarding Pre-Grant Opposition in India & PCT Third Party Observations:

- Third party observations can be submitted from the International Publication date until 28 months from the Priority date, whereas Pre-Grant Opposition can be submitted any time after the Publication of application, but before the grant of Patent.
- In third party observations, a person may only make a single observation on any particular International application, whereas there is no such restriction for Pre-Grant Opposition, and as many representations can be submitted in respect of a particular application.
- In third party observations, only a maximum of ten observations may be submitted on any particular International application, whereas Pre-Grant Opposition can be submitted in respect of a particular applications with as many grounds and as many citations or observations.
- Both Third Party Observations and Pre-Grant Opposition may be submitted by any person and not necessarily by an interested person.
- Both are restricted to certain specific grounds, where third party observations are limited to comments on novelty and inventive step only, Pre-Grant opposition is limited to grounds as mentioned in Section 25 (1) of Patents Act, which includes novelty and inventive step.
- In Third Party Observations, the submission is required to be made online using the e-PCT Public Service, after making a WIPO user account; whereas Pre-Grant Opposition can be submitted either online by e-filing route or as hard copies at respective Indian Patent Office.
- In both Third Party Observations and Pre-Grant Opposition, there is no filing fee involved, and any person before making such observation will not be worried about the costs involved.
- In Third Party Observations, the National Patent Office is free to ignore the observations, even if the same is published by WIPO; however in Pre-

Grant Opposition, the examiner cannot ignore the opposition representation and has to evaluate the validity of Patent to be granted following the statutory procedure.

- In Third Party Observations, the applicant of International application is not mandated to file a response on observations; however the same can be filed within 30 months from Priority date; whereas in Pre-Grant Opposition, the response by applicant of Patent application is mandatory and is required to be submitted within 3 months of receiving Opposition Notice.
- In Third Party Observations, the applicant has no right to interfere or participate in further proceedings of the application, once the observations are made; whereas in Pre-Grant Opposition, the applicant who filed Opposition has a right to be heard, if allowed by the Controller, and will be participating in the procedural formalities for the Pre-Grant Opposition before the Controller of Patents.

Earlier there was no mechanism to comment on PCT International application unless the same entered National Phase in different countries. This provides an opportunity to make observations on PCT applications, during International Phase, claiming that the invention lacks novelty or inventive step.

Conclusion:

PCT Third Party observations system can be said to be bearing similarities with Pre-Grant Opposition in India. The system of Third Party Observations introduced by WIPO can be helpful for National Offices in getting Prior Art references. Such observations by Third Parties might assist International Searching Authorities (ISA) and International Preliminary Examining Authorities (IPEA) with the Prior Art documents. The beneficial thing about third party submissions is that, it is applicable worldwide; all

the nations can refer to the observations made on any International application.

Like ISA & IPEA search reports, Third Party Observations will equally not be binding on National Offices Examiners, and may only be considered as references. Unlike Pre-Grant Opposition in India, the National Patent Office Examiners who are ultimately deciding on the Patentability of invention, are not bound by Third Party Observations made on any International Application and are free to ignore them completely.

Provisions relating to Amendments of Patent Applications and Patents

Saipriya Balasubramanian

Introduction

The Amendments of a patent applications and patents is one of the most essential features of patent prosecution. Patentees or applicants often request amendments of patent claims or description during prosecuting a patent application or defending a revocation or in responding an objection raised by the Examiner. The main intent of such requests are to clarify the invention better or to differentiate how the invention is different from prior art. The following article shed light into the various provisions of the Indian Patents Act 1970 that deals with the amendments of patent applications and patents. Further, few examples of cases concerning amendments are also provided for clearing the air surrounding the scope of permissible amendments.

Provisions of the Act and Nature of Amendments

Section 57 and 59 of the Indian Patents Act 1970 stipulates ("the Act") for amendment of an application for a patent or a complete specification or any related document, at any time either before or after grant of the patent, if the controller so thinks fit and subject to certain conditions. Section 59 elaborates these conditions which are as follows, an amendment,

- i. Must be by way of disclaimer, correction or explanation
- ii. Must be for incorporation of actual fact
- iii. Will not be allowed if it describes matter not in substance or shown in the non amended specification, or any claim of the amended specification does not fall wholly within the scope of a claim of the non amended specification.

Amendments relating to Section 57¹, 58² and 78:³

1. *Change in name, address, and address for service:* Such document/information can be amended at anytime during the pendency of application and also after grant.
2. *Complete Specification including claims, description, and priority date of a claim:* Such information/Document can be amended at anytime during the pendency of the application in order to overcome Controller's objections; It is possible to amend the aforesaid either after grant or in invalidation proceeding. It is to be noted that post-grant amendments will be published. Section 78 empowers Controller to correct any clerical error, which may either be requested by any person interested or even without such a request. Amendments under Section 57 and 58 may be sought by only the applicant/patentee whereas amendments under Section 78 may also be requested by an interested person.

Amendments relating to Section 17⁴:

Filing date can be amended as per Section 17 at anytime after filing the application, but before the grant of the patent. Section 17 may also be invoked in case the Controller requires that amendments be made to the specification and if

¹ <https://indiankanoon.org/doc/1914819/>

² <https://indiankanoon.org/doc/638865/>

³ <https://indiankanoon.org/doc/672407/>

⁴ <https://indiankanoon.org/doc/1284165/>

such amendments cannot be allowed without post-dating the application to a later date.

Amendments relating to Rule 137:

As per Rule 137, any document for the amendment of which no special provision is made in the Act may be amended either at anytime during the pendency of application or after grant. The amendment of such document must not cause harm to the interests of any person. Also, the Controller may direct terms as he thinks fit.

Table: 1. Recent Case Laws based on Amendment of Patent applications and Patents

Case	Type of Amendment	Facts of the case	Controller's Decision
2584/KOLN P/2004 Application filed by Glaxo group	Amendment of claims	Request for inclusion of new claims, although described in the specification	The Controller of Patents held that the applicant's new claims did not fall wholly within the scope of the unamended claims, and also did not meet any of the criteria prescribed under section 59(the

			new claims were not a disclaimer, correction or explanation)
<i>AGC⁵ Flat Glass Europe V Anand Mahajan 2009</i>	Amendment of claims	AGC's invention is a product called Mirox New Generation Ecological Mirrors (hereinafter referred to as MNGE), which is a mirror without a copper or lead layer, is obtained through an environmentally friendly process AGC wants to amend claim 1 based	In deciding whether the amendment should be allowed, the court considered an entirety of the specification of the registered patent, which discloses that the invention works on 3 steps, viz, a) sensitizing process; b) Activating process; and c) Silvering process. The amendment

⁵ <https://indiankanoon.org/doc/123074632/>

		<p>on the prior art cited by SGG. The amendment is by way of introducing “a sensitizing material , typically tin” in clause ii of claim 1</p>	<p>sought, the court observed clarifies the scope of the sensitizing process by specifically mentioning the sensitizing material which is tin. This did not lead to a new invention and objection regarding the amendment being beyond the scope of the original specifications, or being inconsistent with the original claim, were without merit. Therefore, this decision clarifies that a limitation from the</p>
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			<p>description may be brought into the claims, as long as it does not alter the scope of the invention .</p>
<p><i>Enercon⁶(India) V Alloys Wobben 2013</i></p>	<p>Amendment of claims</p>	<p>Alloys Wobben sought to amend the claims to avoid revocation. The patentee requested for amendments in 4 places of claim 1 and classified these as corrections.</p>	<p>Corrections 1 and 4 were considered permissible since they did not alter the scope of the claims by corrections 2 and 3 were rejected by Intellectual Property Appellate Board(IP AB) pointing out that they altered the functioning of the adjusting</p>

⁶ <http://www.the-laws.com/Encyclopedia/Browse/Case?CaseId=043102821000>

			device. The corrections, therefore were considered to alter the scope of the claims thereby widened the claims and could not be permitted hence stood rejected.
<i>Diamcad⁷ and SS Borisovish v Sarin Technologies and Controller of Patents and Designs</i>	Amendment of specification	To address the objections made by the Controller that the patent was insufficiently described, the patentee made several amendments to the descripti	The IPAB held that none of amended elements were disclosed implicitly in the original specification, hence disallowed.

⁷ <http://www.ipabindia.in/Pdfs/Order-189-2012-M.P.16-09,36-11,64-11,65-11,21-12%20&%2054-12%20in%20OA-4-2009-PT-CH%20&%20OA-4-2009-PT-CH.pdf>

		on	
<i>Spice Mobiles⁸ and Samsung India Electronics v Somasundaram Ramkumar 2012</i>	Amendment of specification	The invention relating to a “mobile phone with a plurality of SIM cards allocated to different communication networks” was sought to be amended to insert features of the circuitry that had to be modified to accommodate two or more SIM cards and features such as headphones, earplugs and	The IPAB did not allow these amendments as there were no explicit or implicit disclosures of these elements in the complete specification.

⁸ <http://www.ipabindia.in/Pdfs/Order-140-2012-ORA-%2017-2009-PT-CH%20and%20ORA-31-2009-PT-CH.pdf>

		Bluetooth devices.	
<i>Solvay Fluor GmbH v. E.I. Du Pont.</i>	Amendment of specification	Du Pont sought to amend the specification after Solvay filed for revocation of Du Pont's patent under Section 3(d) and 3(e) as non-patentable subject matter.	IPAB in its order, mentioned that it is possible to make amendments to the specification for overcoming objections raised under Section 3(d) and 3(e) if the amendments were related to showing technical advance due to the combination of elements and if the amendments complied with requirements of section 59 that is either as a disclaimer or correction

			or explanation. IPAB allowed Du Pont's amendments to include the term synergy in the description as it fell under the purview of 'explanation'.
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Conclusion

Through *Enercon(India) V Alloys Wobben case* , the Indian Courts have laid four basic principles while assessing requests for amendments. They are; full and fair disclosure of all relevant matter; statutory compliance; the public interest requirement of promptly seeking amendments; the applicant's conduct. The aforesaid points are particularly relevant to patent applicants who are filing in India through PCT National phase. It is to be noted that, broadening the scope of the claims by the way of requesting amendments is not allowed at the Indian Patent Office. However, Indian patent system does allow the original claims or amended claims filed at the international phase. In case of amendment of description/complete specification a request for inclusion of experimental results and implicit advantages of an invention would likely be allowable under the Act. The aforesaid good practices would likely simplify the patent prosecution phase thereby ensuring early grant.

Missed the Deadline will kill your Patent

Aayush Sharma

Time and again it has been notified by the Patent Office that deadlines are to be followed on a strict note. And missing deadlines can make applicant lose rights on their Patent Application, unless the reason behind missing the deadline is capable of convincing the Controller of Patents.

In recent well reasoned decisions by the Controller, two PCT National Phase Applications filed after the time limit of 31 months from the Priority date, have lost their existence as valid Patent Applications to be processed under Indian Patent Office.

Patent Act 1970 and Patent Rules 2003, specifically says 'deemed to be withdrawn' (on intentional note by applicants) in cases where a request for examination is not filed within the time period of 48 months from priority and in case of not filing PCT National Phase Application within the prescribed time limit of 31 months from priority date.

The details of the cases for recent decision of Controller are as below:

Case 1: Application no. 1494/DELNP/2010 dated 4th March, 2010 filed by Information in Place, Inc. USA, based on PCT Application no. PCT/US2008/069688 dated 10th July, 2008, claiming priority date of US application no. 60/948924 dated 10th July, 2007, was required to be filed before the due date of 10th February, 2010, as the prescribed time limit of 31 months from priority date under rule 20(4) of Patent Rules 2003. The same was filed after expiration of 31 months through online electronic system of the Patent Office along with a request for restoration of right of Priority after expiry of the prescribed period of 31 months under rule 20 (4) of the Patent Rules 2003. Further agents of the applicants filed two petitions, one under rule 137 and rule 138 for condonation of delay in effecting the national phase entry under rule 20(4) on the

ground of docketing error in the docketing management system maintained by the office of US attorney.

Thereafter on 13th July, 2011, one more petition was filed under rule 137 for condonation of delay beyond the prescribed period of 48 months for filing the request for examination (RFE). In order to consider the requests of the agent for applicant, a hearing was fixed on 1st August, 2011.

Submissions for applicant were as below:

Reference was made by agents, for **Nokia Corporation vs Controller of Patents**, to consider their petition under rule 138 for extension of one month time even it is filed after expiry of 31 month and therefore requested that their application be taken on record.

It has also been stated by petitioner that PCT Article 48 and Rule 82bis deals with the delay in meeting certain time limits. Also according to Rule 23 of the Patent Rules 2003, the requirement under chapter will be supplemental to the regulations etc under the Treaty.

Legal situation:

Article 22(3) of PCT provides that any national law may fix time limits which expire later than the time limit provided for in those paragraphs. Accordingly under this provision, India has already fixed the time limits of 31 months (beyond 30 months) under rule 20(4) to file the national phase application failing which the application shall be deemed to be withdrawn under Rule 22 of the Patents Rules, 2003 which provides that an international application designating India shall be deemed to be withdrawn if the applicant does not comply with the requirement of rule 20.

Article 48 of PCT deals with delay in meeting the certain time limits under PCT procedure. Paragraph (1) deals with the delay caused due to interruption in the mail service or unavoidable loss or delay in

the mail. Paragraph (2) (a) provides that any Contracting State shall, as far as that State is concerned, excuse, for reasons admitted under its national law, any delay in meeting any time limit (that is due to interruption in the mail service.

In order to meet the obligation of paragraph 48(2) (a) of the PCT, rule 6(5) of the Patent Rules 2003 provides for the provisions to condone the delay occurred due to postal services or mail services which can be condoned by the controller.

Under Rule 137, any document for the amendments of which no special provision is made in the Act may be amended and any irregularity in the procedure which in the opinion of the Controller, may be obviated without detriment to the interest of any person, may be corrected if the Controller thinks fit and upon such terms as he may direct. Therefore, the provisions are discretionary in nature and applicable only when the correction of the irregularity is not detrimental to the interest of any person. Further, the provisions are applicable to the amendment for which no provision is made in the Act. (Order of Hon'ble High Court of Delhi dated 8th February 2011 in Nippon Steel Corporation vs Union Of India) and therefore are not meant for condonation of delay in filing the national phase application after the expiry of the prescribed time limit

The rule 138 of the Patents Rule provides the power to the controller for extension of time beyond prescribed time limit provided the request for extension is made before expiry of prescribed period of time.

The Controller also cited various other PCT Rules which were not applicable to India as India had notified WIPO about its reservations regarding these specific rules. The rules include 49.6, 49(f), 49ter(1)(g), which deals with the reinstatement of Priority Rights.

Decision: It was decided that said application cannot be taken on record for further processing under the Patents Act 1970 and Patent Rules 2003 since same has become deemed withdrawn under rule 22 of the Patents Rules 2003 for non-compliance of requirements under rule 20.

Further that petitions filed under rule 137 and 138 are also not allowable and accordingly the petitions filed for condonation of the delay and extension of time for filing the National Phase application beyond the prescribed period and also the petition for condonation of the delay in filing the request for examination beyond the statutory as prescribed were disposed of.

Case 2: Application no. 5402/DELNP/2010 dated 13th July, 2011 filed by Abbott Laboratories, USA, based on PCT Application no. PCT/US2009/049954 dated 08th July, 2009, claiming priority date of US application no. 61/134,284 dated 08th July, 2008 and US 61/191711 dated 11th September, 2008, was required to be filed before the due date of 08th February, 2011, as the prescribed time limit of 31 months from priority date under rule 20(4) of Patent Rules 2003. The same was filed along with a request on a petition for restoration of right of Priority after expiry of the prescribed period of 31 months under rule 20 (4) of the Patent Rules 2003. Further agents of the applicants filed two petitions, one under rule 137 and rule 138 for condoning the delay in effecting the national phase entry under rule 20(4).

The reason as submitted under petition was server problem which could not receive mails of size beyond 10MB, due to which instruction email was not received by the agents in India.

Similar submissions and explanations by both parties (Agents and Controller) were discussed in this case as in case 1. It was decided that application cannot be taken on records and Petitions filed under rule 137 and 138 are not allowable.

Conclusion:

The best way to protect applicant's rights is to abide by the rules and regulations and take due consideration of the deadlines. Not relying on single source of check on due dates, can be more helpful with deadlines. There can be certain unavoidable and unintentional situations for missing the deadlines, and same shall be properly validated.

Trademark Genericide: Victims of their own success?

Shrabani Rout

Introduction

The Trademarks Act 1999 provides for registration of trademarks- a mark capable of being represented graphically and distinguishing the goods and services of one person from that of another. Sections 9 and 11 of the Act make it amply clear that in order to be registered a mark should be sufficiently distinctive in nature. However registered trademarks also fall prey to common usage and journey into the public domain. Consequently, the trademark owner loses all his rights over the trademark.

Trademark Genericide can be defined as the loss of trademark rights when a term enters common usage and consumers begin to denote a particular product than its source. When a trademark becomes the “common descriptive name” of a certain product, the trademark owner will no longer have an exclusive right to its use.

Justice O’Connor while deciding whether the term Park’N Fly when used with respect to long term airport parking services was a generic term held that “A trademark or service mark that becomes generic is no longer entitled to protection.”⁹

Every year the term Trademark Genericide claims more trademarks into their early graves. A mark is said to be generic if it is the common descriptive name of a class of goods or services. For instance, Merriam-Webster dictionary defines ‘Escalator’ as “a moving set of stairs that carries people up or down from one level of a building to another.” The term Escalator was however formerly a trademark of the Otis Elevator company before it became a victim to its own success and died a generic death. Same in the case of Dettol, Dalda, and Heroin where

what was originally a brand name has now been diluted to bear reference to the product itself.

Reasons behind Trademark Genericide

The reason behind Trademark Genericide is simple. The trademark becomes genericized due to the continuous use by the public who use the term to denote a particular product rather than its source. The more popular the product, the chances of it dying a generic death increase. Some of the popular trademarked names that have now become generic because of the wrongful and continuous use by the public are – Aspirin, Cellophane, Zipper, Kleenex, Thermos, Popsicle etc.

In Coca-Cola Co v. Overland Inc.¹⁰ the Court emphasised that “An originally non-generic, valid trademark becomes generic and invalid when the principal significance of the word to the public becomes the indication of the nature or class of an article, rather than the indication of the article’s origin” .Genericide of trademarks is now a major concern for companies who fear that their trademarks may become victims to their own successes. Once a trademark becomes generic, the company loses all proprietary rights over it and it journeys into the public domain. There are a lot of possibilities as to why a trademark becomes generic in nature. The first possibility being that the product was first of a kind and enjoyed monopolistic status in the market and therefore the public associated the trademark with the good rather than the source of the good.¹¹ The term “genericide” is sometimes used to describe the process where the trademark owner actually participates, often unknowingly, in the destruction of the distinctiveness of the trademark. Another reason for trademark genericide can also be the lack of a suitable substitute term for the good, case in point being the

¹⁰ 692 F.2d 1250

¹¹ Harshavardhan Ganesan, The Other Mass killing: TM genericide available at <<https://spicyip.com/2016/05/the-other-mass-killing-tm-genericide.html>>

⁹ Park’N Fly, Inc.v. Dollar park and Fly,Inc. 469 U.S 189(1985)

term 'Escalator'. 'Escalator' is catchy and fanciful and much easier to say than a moving staircase manufactured by the Otis Elevator Company. Another reason for trademark genericide can be the paradoxical behaviour of companies regarding their own trademark. Companies want their products to become well known but they definitely do not want the public to use the trademark to denote the product rather than the source of the product. Unskilful advertising and inadequate control measures are the reasons why trademarks like Kleenex, Trampoline etc are now generic terms.

Legal standpoint

Famous trademarks like Google, Yahoo and Xerox now stand at the pearly gates of trademark genericide. In 2012, the IPAB while deciding *B.V Ilango vs. Rank Xerox Ltd.*, held that if a company or brand had taken extensive measures to rectify and police the incorrect usage of their trademarked term including sending cease and desist notices, it will not be considered as a generic term. The statement of the IPAB – “perhaps the respondent has acted just in time to save its mark losing its life....”¹² shows that Xerox is indeed in a precarious position and must act pro-actively so as to prevent its trademark from dying a generic death.

The Google trademark ranks as one of the most valuable trademarks in the world. People have now started using the term Google as a verb often referring to search something as 'Google it'. Google is so conscious of the problem that it has published "rules for proper usage" of all its trademarks, partly to help stem the use of "Google" as a verb. In 2012, Google filed a Uniform Domain Name Dispute Resolution Policy (UDRP) Complaint following the registration by a third party of several hundred domain names which combined the word

'Google' with another word element.¹³ The Administrative panel ruled in favour of Google and ordered that the registrant transfer all the domain names to Google.¹⁴ The Registrant, Mr David Elliot then filed a suit in the US district court in Arizona seeking cancellation of the trademark registration of Google saying that the term Google had become generic. In supporting his claim, Elliot contended that the GOOGLE mark had become generic because the public frequently uses the wording "Google" as a verb.¹⁵ The court, ruled in favour of Google however, clarifying that using a mark as a verb does not necessarily render the mark generic as long as the mark continues to perform its statutory function—that of distinguishing a product or service from those of others and to indicate the product's or service's source. The court pointed out that, even if a mark is used as a verb exclusively in the indiscriminate sense, the mark has still not become generic if a majority of the consuming public continues to use the mark to distinguish the product or service of choice from those offered by competitors.¹⁶

Steps that can be taken to avoid Trademark Genericide

1. Trademark owners should avoid using the trademark as a verb or a noun which implies that the word is generic.

¹³US trademarks: Google defeats Genericness claim available at

<http://www.managingip.com/Article/3396065/US-trade-marks-Google-defeats-genericness-claim.html>

¹⁴Elliot vs Google Inc., order available at

<https://law.wm.edu/faculty/inthenews/pdfdocuments/Elliot%20v.%20Google.pdf>

¹⁵*Elliot v. Google Inc.*, No. CV-12-1072, 2014 WL 4447764 (D. Ariz. Sept. 10, 2014) in the United States district Court for the District of Arizona.

¹⁶Irene Callboli, *Elliot vs. Google Inc.* available at https://tlfnews.wordpress.com/2014/10/17/elliott-v-google-inc-no-cv-12-1072-phx-smm-2014-u-s-dist-lexis-127352-d-ariz-sept-10-2014/#_ftn5 park and Fly, Inc. 469 U.S 189(1985)

¹² Mr.B.V.Ilango vs M/s Rank Xerox Limited IPAB order no. 229/2012 on 21/09/2012

2. Trademark owners should give a new product an easily recognized generic name in addition to the fancy trademark name.
3. Trademark owners should be extremely vigilant and must keep a check on improper use of their mark.
4. Trademark owners can add the word “brand” after the trademark on the product packaging.
5. Trademark owners must establish guidelines for the usage of their trademarks and make sure that they are followed strictly. Companies should implement a strong trademark regimen which may help them in prevention of their trademark becoming generic.

Conclusion

Companies should take active steps to prevent their trademarks from becoming generic. For e.g. Adobe has a whole page dedicated to trademark guidelines. The guidelines very clearly state that the public should not use the term ‘Photoshop’ as a noun or a verb. Instead of choosing a name that is very fancy, companies should ensure that the usage of the term is correct and in accordance to their trademark guidelines. However what still remains to be seen is, whether a company can really control how the public uses its trademark? If a trademark is hugely popular like Xerox for photocopying or Escalator which is a pioneer in its field, can public usage of the term actually be monitored? The enforcement of correct usage of the term is very difficult. In 2003 Xerox ran an extensive ad campaign to educate the public about the correct usage of the word ‘XEROX’. The advert ran as, “When you use ‘XEROX’ the way you use ‘Aspirin’, we get a headache.”

Companies should therefore use the generic name of the product along with the trademark. For e.g.

Apple Computers, Xerox Photocopiers etc. They should avoid all variations and make sure that the trademark stands out from the surrounding text. Google and Xerox may have managed to keep their trademark status for now but it still remains to be seen how long they can keep their competitors at bay from declaring their trademark to be generic.

Public perception and understanding is the key for determining whether a registered trademark has lost its source-denoting value and become generic. While evaluating public perception, a broad set of factors should be considered including availability of alternative terms, the trademark owner’s use and promotion of the mark etc.

JOINT OWNERSHIP OF TRADEMARKS

Martand Nemana

INTRODUCTION

An average common consumer always relates to a product based upon the comfort, compatibility and satisfaction which is derived from the use of the same; these traits evolve over a considerable period of time, and are known as the “goodwill” of the product. The manufacturers and merchants have to endure fierce competition in providing their goods and services to the consumers, which makes it difficult to sustain in the market.

Given the fierce competition, any entity providing goods and services shall always aim at being the best in order to maintain the established goodwill and reputation. Going a step ahead in order to portray consumer centric approach, companies come together to establish themselves as a new joint entity to provide goods and services in collaboration with each other which they're individually well known for in the market. In order to get a local face which is closer and easily acceptable by the local customer base, most entities/business houses come up with a local name which is used as a business name in a particular jurisdiction and hence apply with a joint ownership of Trademark. With the emergence of this new joint entity the companies try to provide goods and services which shall together garner reputation and goodwill based on the established market standards.

As per the TM law, all the joint owners of the trademark will be treated as owner of the TM jointly and no quantification of rights is possible as per the provision of Trademark Marks Act, 1999. Whereas, the financial outcome arising out of the use of jointly used TM, can be quantified, as per the terms & conditions agreed upon while entering in to the said joint ownership.

WHAT ARE JOINTLY OWNED TRADEMARKS?

When more than one legal entity come together to act as proprietor of a trademark, either for a joint

entity created by both or to share and act in accordance for the good and services provided jointly by them; they're said to be joint owners of trademark. As per **Section 24 of The Trade Marks Act, 1999** - Joint ownership of trademark is a mutual agreement between both the entities/parties to hold the mark together, but neither of them shall be said to be the absolute owner of the mark and the then registered trademark shall be registered in favour of both the parties, held together.

While entering into joint ownership/proprietorship of Trademarks as per **Section 18 of The Trade Marks Act, 1999** it has been laid down that the either of the Applicant necessarily needs to have principle place of business in India, and if not then, it would be mandatory for them have their address for service in India.

Apart from the intellectual property, the joint ownership also witnesses' joining of the economic value of the trademark is crucial to each individual joint owner. The proceeds generated from any business from the said joint ownership/venture shall have to be divided equally or as per the terms of the contract agreement. The balance of interest thus established shall also be helpful in determining the obligation and share of responsibility of each individual entity.

NECESSARY GUIDELINES TO BE FOLLOWED WHILE REGISTRATION

As per the Indian Trademark Law, while registration of a jointly owned trademark, description of mention should be given in the following format:

In case of joint owners, the full name of each of the joint owners, whether individuals or companies, is essentially required. A trading style or business name is not acceptable as the name of the joint owners and, if given in addition to the joint owners, such names will be recorded separately.

“M/s XXXXXXXXXXXXX, A Company registered in India under the Indian Companies Act, 2013

AND

M/s YYYYYYYYYY, A Company registered in India under the Indian Companies Act, 2013... Are claiming to be the joint ownership of trademarks.”

The registered mark shall thereby be used jointly **only** by all the applicants mentioned in the application.

CONDITION AS TO JOINT USE OF TRADEMARKS:

In a case of jointly owned trade mark, the condition should be “The mark shall be used jointly by all the applicants mentioned in the application”; or

“The mark shall be used only in relation to goods or services with which all the applicants mentioned in Section 24 of the applications are connected in the course of trade with all the joint applicants and it shall not be used against each other.

ADVANTAGES OF JOINTLY OWNED TRADEMARKS

1. SURETY OF USE

The joint proprietors of the jointly owned trademark shall be responsible for the use and for the goods and services provided under the trademark. However, no single user of the jointly owned trademark can exercise total control over the mark or the good will generated from the same.

2. COMPLETE DISSOLUTION

In a case of dissolution of the jointly owned trademark no single owner can claim complete ownership over the trademark; the complete bundle of rights shall be dissolved instantly and shall not be available for single use, thus preserving the generated trust and goodwill of the mark over the period of usage.

CHALLENGES UPON DISSOLUTION OF A JOINTLY OWNED TRADEMARK

1. CLOUD OVER JOINT OWNERS TO EACH CONTINUE TO USE THE MARK AFTER TERMINATION

Upon dissolution of the trademark each joint owner of the mark, shall not be eligible to use the mark any further on an individual basis. As per the conditions mentioned during the time

of registration, the rights of use are vested in the owners strictly with the condition precedent that the use of the trademark would be on a joint basis, and thus this nullifies the aspect of single owner using the mark.

2. ONE OWNER PURCHASES THE MARK AND LICENSES IT THE OTHER OWNER

Irrespective of the grounds of dissolution, if both the joint owners of the trademark mutually agree, to transfer the rights vested in them as per the provisions of the Trade Marks Act, 1999 (through assignment), to either of them, to carry forward the business individually under the same joint trade-name, the same can be carried out by the conditions mutually agreed upon by them at the time of dissolution.

As per the general practice, full-fledged licensing is carried out to avoid complexities further. However, an option of mutual settlement in private is also open to the joint owners. The parties involved in the joint ownership of the mark can transfer the mark to each other on basis of “buy me/buy you” clauses. Further, the parties together can sell/license/assign the mark to a new party which may be interested to carry out business under the trade-name. These kinds of settlements are seen when the parties have no interest left to completely use the mark upon dissolution. The proceeds from these kinds of transactions are generally shared equally between the parties involved in the joint ownership.

3. DISSOLUTION OF INDIVIDUAL IMAGE / CREDITS

In case of dissolution of a jointly owned trademark, the individual image generated by the prolonged use of the mark shall be dissolved accordingly which would in turn dissolve the goodwill of the mark. No individual owner of the mark shall be allowed to use the mark or any related mark either individually or in association unless clear permission has been given by all the joint owners of the earlier mark. Also, neither of the party shall be individually allowed to take any credit for the mark or the goodwill or

revenue generated by use of the jointly owned trademark.

EXAMPLES OF JOINTLY OWNED TRADEMARKS:

- In 2014, Hero Honda Motors Limited, a joint involvement between Hero and Honda motors was dissolved and a new Indian entity Hero MotoCorp Limited was established which got to carry out business using the earlier established tradename.
- In 1999, VOLVO sold its Car manufacturing automotive division to FORD MOTOR COMPANY, yet still had rights over all other automotive divisions such as its truck business. This cause called for a sharing of rights of trademark and the hence VOLVO gave control of its car manufacturing automotive division to FORD.
- In a 2001 joint venture between Sony and Ericsson to make cellular communication devices, the parties combined their respective trademarks, while maintaining their separate identities.

CASELAWS ON JOINT OWNERSHIP

1. ELLIOT OPTICAL COMPANY LTD.'S [APPLICATION (1952) 69 RPC 169]
In the scenario where the goods manufactured, have been sold under a specific mark by the applicant directly to certain customers and partly by the opponent to certain customers, joint ownership of trademark in such scenario shall then be refused.
2. POWER CONTROL APPLIANCES V. SUMEET MACHINES PVT. LTD. 1994 AIR SCW 2760; (1994) 2 SCJ 644; 1994 (2) SSC 448
As per law relating to trademark, there can only be one source and proprietor of one trademark and the trademark cannot have two origins. Hence, when the defendant proclaimed himself as a rival of the plaintiff, the joint owner, it was not permissible under the law. Joint ownership cannot be used in rivalry or in competition with each other.

3. GUDAKHU STAR & LABEL TRADE MARK [1990 PTC 216];

The Trademark was the property of one of the partners, and thus became the property of the firm. In other words all the partners became the owners of the trade mark and the copyright. Earlier dissolution of the earlier partnership had completely dissolved the rights of the partners over the trademark. Though having formed a different partnership and using the trademark similar to the earlier, the partners and the firm are not eligible for using the mark due to lack of rights.

4. RAMAPPA V. MONAPA [AIR 1957 MAD: ILR (1957) MAD 206]

The Madras High Court has held that where the application for rectification of the Registrar was made on the basis that the registration of the mark was obtained by fraud, and it is found that the allegations are correct, the court must direct the entry to be expunged from the register and the order of joint registration should be annulled.

5. IN RE PALMOLIVE [(1932) 49 RPC 269, 278]

It has been laid down that before a mark could be registered in the joint names of the parties to the joint ownership, as engaged in a joint adventure, it must be established that all the goods which would be traded under the name of the mark are to be placed and should pass through the hands of both the parties, i.e. joint owners. For examples, if the joint proprietors were sharing the profits, all of them would be connected in the course of trade with the trade mark.

JOINT OWNERSHIP AND FINANCES

Observing from a global perspective, instances have iterated the where clear demarcation has been laid down between ownership and sharing of finances. All the joint owners of the trademark shall have no quantification of their rights over the ownership of the mark. However, the financial outcome from the use of the trademark can be quantified and be controlled by the conditions laid down and mentioned either in the contract or the agreement for joint ownership. Joint Ownership of trademark is

mostly confused with Co-Ownership and hence it has been seen on various occasions that licensing of the rights of the parties to each other acts as an escrow guarantee to safeguard the interest involved in the ownership.

CONCLUSION

The inception of Intellectual Property was seen only to be as a set of rights to safeguard the vested interests of the owners. Given the evolution in the changing course of time and in light of the developments which have taken place all through the era, we now witness various concepts which require higher threshold of interdependence and trust. The joint ownership of trademark is a result of one such evolution which has proved to be a multi faceted boon for the IP industry. Despite having its share of negativity, joint ownership of trademark shall always be the preferred way of creating a new face of the mark of a single company based on the geographical boundaries. The amount of benefit vested shall be a prerogative of the user and the owner of the mark.