

IP Hotline

June 30, 2010

"NICE" AMENDMENT TO THE INDIAN TRADE MARKS RULES

India has added 3 more classes of services to the classification of services for the purpose of registration of service marks.

BACKGROUND

In India, the Trade Marks Act, 1999 ("**Act**") for the first time introduced service marks so as to bring the Indian trademark law in line with TRIPS, which contemplates registration of service marks for services in addition to trademarks for goods.

India has been following the International classification of goods and services under the Nice Agreement ("**NICE Classification**"), and the same is incorporated in the Fourth Schedule to the erstwhile Trade and Merchandise Marks Rules, 1959 and now Trade Marks Rules, 2002 ("**Rules**").

Under the Rules, the Fourth Schedule is divided into 42 classes under which classes 1-34 relate to registration for goods and classes 35-42 cover various services for which a service mark can be registered.

AMENDMENT

The Fourth Schedule has recently been amended vide a notification dated May 20, 2010 ("**Amendment**")¹ to include three additional classes of services to the pre-existing ones, thereby raising the total number of classes to 45. The Amendment also modifies the existing class 42 and adds the following additional classes to the list of existing class of services:

42: Scientific and technological services and research and design relating thereto; industrial analysis and research services; design and development of computer hardware and software.

43: Services for providing food and drink; temporary accommodation.

44: Medical services, veterinary services, hygienic and beauty care for human beings or animals; agriculture, horticulture and forestry services.

45: Legal services; security services for the protection of property and individuals; personal and social services rendered by others to meet the needs of individuals.

ANALYSIS

The Nice Classification which originally had 42 classes was amended by its 8th edition in January 1, 2002 to add 3 new classes i.e class 43, 44 and 45 to the existing ones. The recent Amendment has the same effect in India and brings the number of classes under which registration of trademark is permissible, in line with the Nice Classification. The language of class 42 has also been modified and adopts verbatim the language of class 42 of the Nice Classification.

The erstwhile class 42 was mainly in the nature of a residuary clause and *inter alia* covered *services that cannot be classified in other classes*. The amendment makes the services covered in class 42 more specific and distributes the services that usually came under the purview of the residuary provision of class 42 to the newly added classes 43 to 45.

There are certain open ended issues which the Government ought to have considered at the time of amending the Rules, which are discussed below:

Pending Trademark Applications

The Amendment does not clarify whether the amendment provisions will also be applicable to the trademark applications already filed but pending registration as on the effect date of Amendment. For example, a hotel owner would have filed for his service mark in class 42. However, as per the Amendment, hotel services now fall under class 43.

The pending applications ought to be given the benefit of the new classification, by calling upon the applicants to reclassify their application during the prosecution process. Although this may delay the registration process as well as increase the existing workload of the Trade Marks Registry, the Amendment is sure to benefit the applicants at large.

Further, the fate of existing Opposition proceedings would also be jeopardized. For example, consider two trademark proprietors being entangled in an opposition proceeding against each other with respect to their respective mark

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filed under class 42 (i.e. before Amendment). One of the proprietors has a well-known, global and registered trademark covering software development services whereas the other proprietor's trademark application is a new application covering security services. Post Amendment, the services of the former proprietor would remain under class 42 whereas the services of the latter would fall under class 45. Without going into the merits, it would be pertinent to see as to how the fate of such opposition proceedings would be decided.

US had applied the new requirements of the 8th edition of the Nice Agreement to applications filed on or after January 1, 2002. Applications filed before January 1, 2002 followed the requirements of the 7th edition of the Nice Agreement. However, the applicant could, of its own accord, submit an amendment to its pending application that brings it into compliance with the 8th edition of the Nice Agreement. Further, the Examining Attorney could at his discretion give the applicant the option of remaining in compliance with the 7th edition of the Nice Agreement or amending the application to comply with the classification requirements of the 8th edition.

REGISTERED TRADEMARKS

As regards marks already registered under class 42, as per the Amendment, some registered trademarks may actually fall under new classes. Hence, an exercise of reclassification should ideally be undertaken so as to give true identity to the services for which the mark is applied for.

Further, at the time of renewal of an existing class 42 registered trademark, it is not clear whether the renewal would have to be undertaken under the same class even if the said mark falls under a different class, say class 45, post Amendment.

In some countries after amendment in the Nice Classification in 2002, the Registrar introduced process requiring reclassifying services originally included in Class 42, at the time of their renewal. Similar process should be undertaken by the Indian Trade Marks Registry as well.

However, the United States Patents and Trademarks Office or USPTO did not reclassify existing registrations according to the 8th edition of the Nice Agreement upon renewal of those registrations. Registrations remained classified according to the Nice Agreement edition that was in force at the time of registration.

SEARCH

It is a common practice to conduct a trademark search to clear conflict before proceeding to file a mark in a particular class as this helps in minimizing the potential risk of opposition from infringement action by a proprietor of a similar mark. Post Amendment, a person proposing to register a mark in any of the newly added/modified classes will still have to run a conflict search in erstwhile class 42 to minimize the risks and avoid conflict situation in future. Further, the Registrar also will have to conduct search for both classes while examining the trademark application.

A clarification in the aforementioned aspects will fill in the lacunae in the Amendment and will be help in maintaining an accurate and Trade Marks Register. However, till the time such clarifications are issued, it is advisable for proprietors of pending and registered class 42 marks to also file for trademarks applications in the newly introduced three classes, if the description of their services falls in newly added classes.

- **Gowree Gokhale, Prerak Hora & Aarushi Jain**

1 http://ipindia.nic.in/tmr_new/tmr_act_rules/Notification_20May2010.pdf

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