

A DECADE OF MADRID PROTOCOL: LEARNINGS FROM THE INDIAN EXPERIENCE

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ABSTRACT

This article examines the internal machinations of the Indian trademark registry by analysing more than 3 million trademark applications filed before it during the period between 2000 to 2019 and is the first one to conduct such a study. The article finds that despite significant improvements, there still exists a considerable backlog even in 2019, when applications were taking longer than 18 months, which is the maximum period under the Madrid Protocol for disposal of an application. The article using this data along with the publicly available annual reports of the trademark registry makes a case supported by data that the root cause for the situation are the existing regulations, specifically those related to the filing of oppositions, filing, and communication protocols. The article finds that if these regulations are not amended, India will never be fully compliant with the Madrid Protocol. The article then goes on to provide specific recommendations that need to be adopted in order to resolve the existing issues.

I. INTRODUCTION

India is a major, and rapidly growing, center of intellectual property applications. Timely resolution of these applications is important for the ease of doing business¹ in India and has direct repercussions on the Indian and global economy.²

There have been longstanding complaints about how long it takes for registrations to occur.³ In joining the Madrid Protocol, India agreed to speed up its process. At the time of signing of the

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¹ Ministry of Commerce and Industry, *Year End Review- 2020 for Department for Promotion of Industry & Internal Trade*, <https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1685013>; Dinesh Jotwani, *Budget 2020: Need for comprehensive IPR policy to stimulate innovation in startups, small businesses*, FINANCIAL EXPRESS (January 12, 2020), <https://www.financialexpress.com/budget/budget-2020-need-for-comprehensive-ipr-policy-to-stimulate-innovation-in-startups-small-businesses/1820510/>; India Streamlines Patent Rules To Promote Ease Of Doing Business, (2020), <https://www.bloomberqint.com/economy-finance/govt-streamlines-patent-rules-to-promote-ease-of-doing-business>.

² Keith Maskus & Mohan Penubarti, *How trade-related are intellectual property rights?*, 39 *Journal of International economics* 227–248; *India needs to address IPR, tax issues for ease of doing biz: US diplomat*, BUSINESS STANDARD (May 4, 2017), https://www.business-standard.com/article/economy-policy/india-needs-to-address-ipr-tax-issues-for-ease-of-doing-biz-us-diplomat-117050401469_1.html.

³ Snehal Fernandes, *India takes five years to look at patent applications, reveals economic survey*, HINDUSTAN TIMES (January 30, 2018), <https://www.hindustantimes.com/mumbai-news/india-takes-five-years-to-look-at-patent-applications-reveals-economic-survey/story-q1u11vKeg8ILtPqtdEtniM.html>. ; *All you need to know about the new IPR Policy*, THE

Madrid Protocol, speedy registration was important because to have one's trademark have value it needed to be processed in a timely manner. Covid-19 has however further accelerated the need for having speedy trademark registrations.

Covid-19 has wreaked havoc on businesses of all shapes and sizes and the brunt of it was born by the informal sector as well as the small and medium enterprises. The Index of Industrial Production fell by 35.9 percent and exports had negative growth of 21.99 percent.⁴ To control the rising number of cases, the government-imposed lockdown impacted the overall economy due to disruption in chain supply.⁵ The chain supply was across sectors including essential services such as food⁶ and health⁷ and critical industrial activities such as manufacturing.⁸ At the same time, Covid-19 exponentially accelerated the adoption of e-commerce with global e-commerce growing at a pace of 77%⁹ and in India, it is expected to grow by 84% to \$111 billion by 2024.¹⁰

E-commerce websites use a variety of processes to determine which sellers to prefer over others. One such criteria is the presence of having a registered trademark. Amazon which has almost a third of the market share in e-commerce in India¹¹ has a dedicated Brands Registry program that helps businesses “drive conversion, and potentially increase traffic and sales”¹². Similarly, Flipkart, the market leader¹³ also runs a ‘Brand Approval’ program which requires a trademark registration certificate that leads to privileges such as the ability to edit past listings. The cumulative advantage of these benefits is such that in the United States, an industry has developed where businesses are buying already registered marks to have an advantage as a seller over Amazon instead of waiting

HINDU (September 12, 2016), <https://www.thehindu.com/business/all-you-need-to-know-about-the-intellectual-property-rights-policy/article8600530.ece>; *National IPR Policy also prescribes bringing IPR matters under specialised commercial courts which provide speedier disposal mechanisms*, NATIONAL INTELLECTUAL PROPERTY RIGHTS POLICY (2016), <https://dipp.gov.in/sites/default/files/national-IPR-Policy2016-14October2020.pdf>.

⁴ Krishnarajapet V. Ramaswamy, *Impact of COVID-19: Micro, Small and Medium Enterprises in India, Pandemic Shock of COVID-19 and Policy Response: A Bird's Eye View*, KIEP VISITING SCHOLARS PROGRAM VISITING SCHOLARS' OPINION PAPER, <http://www.igidr.ac.in/wp-content/uploads/2021/02/opinionPaper.pdf>.

⁵ Agrawal, S., Jamwal, A. and Gupta, S. (2020). *Effect of COVID-19 on the Indian economy and supply chain*.

⁶ Mahajan, K. and Tomar, S. *COVID-19 and Supply Chain Disruption: Evidence from Food Markets in India*. 103(1) AMERICAN JOURNAL OF AGRICULTURAL ECONOMICS 35,52 (2021).

⁷ Sharma, A., Gupta, P. and Jha, R., *COVID-19: Impact on health supply chain and lessons to be learnt*. 22(2) JOURNAL OF HEALTH MANAGEMENT 248,261 (2020).

⁸ Biswas, T.K. and Das, M.C., *Selection of the barriers of supply chain management in Indian manufacturing sectors due to COVID-19 impacts*, 3(3) OPERATIONAL RESEARCH IN ENGINEERING SCIENCES: THEORY AND APPLICATIONS 1,12 (2020).

⁹ Tayade, P.N., 2021. Covid-19 And Its Impact On E-Commerce In India-A Critical Study. *eprajournals.com*, March.

¹⁰ *Covid-19 may lift India's e-commerce market to around \$85 billion by 2024*, BUSINESS STANDARD (2020), <https://www.business-standard.com/article/economy-policy/despite-pandemic-india-s-e-commerce-expected-to-grow-three-fold-by-2028-120062402043_1.html.

¹¹ *Flipkart is No. 1 in India but faces formidable foe in Amazon, say experts*, S&P GLOBAL INTELLIGENCE (2019), <https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/flipkart-is-no-1-in-india-but-faces-formidable-foe-in-amazon-say-experts-54083920>.

¹² AMAZON BRAND REGISTRY PROGRAM, <https://brandservices.amazon.in>.

¹³ *Supra* note 10.

for a year to get a trademark registration.¹⁴ The advantage is such that it has led to a substantial increase in fraudulent and nonsensical filings harming the overall ecosystem.¹⁵ Now, a triad of rapid e-commerce adoption due to Covid, free trademark registration to startups under the Startup India Program,¹⁶ and Amazon launching an IP accelerator in India to help businesses acquire a trademark,¹⁷ can possibly lead to an explosive growth of trademark filings in India with businesses looking for rapid registrations. If the Indian Trademarks Registry is unable to process these filings in time, this will disproportionately impact newer businesses due to lack of registered trademark. Similar to the United States, this can also lead to emergence of a cottage industry in India that makes use of nefarious and illegal means¹⁸ to get a mark registered in the shortest timeframe possible.

This article is the first to examine both the number of applications and the relative speed by which the Registry has processed applications from 2000 to 2019. It does so by using a unique data set that was compiled by the author. It finds that while the Registry has significantly sped up the time it takes to process applications, it is still too slow to meet the requirements of the Madrid protocol and users of the registry. Using the data and mapping of the registry process, it makes recommendations on how to improve the efficiency of the Registry going forward, primarily by pushing for greater automation of the system and reducing the timeframe for corresponding steps in the registration process.

II. INDIA AND THE MADRID PROTOCOL

The first Indian legislation on trademark protection was enacted in 1940 in erstwhile British India.¹⁹ Despite being a late entrant,²⁰ India has done a fair job of catching up to its counterparts as far as filing of trademark applications are concerned. As on November 22, 2020, trademark searches

¹⁴ Little, T., *Chinese law firm seeks to buy US trademarks: inside the market for 'idle' registrations*, WORLD TRADEMARK REVIEW (2019), <https://www.worldtrademarkreview.com/brand-management/chinese-law-firm-seeks-buy-us-trademarks-inside-market-idle-registrations>.

¹⁵ McLaughlin G, *'Fanciful Failures: Keeping Nonsense Marks Off The Trademark Register'* 134 HARVARD LAW REV. (2021)

¹⁶ SCHEME FOR FACILITATING START-UPS INTELLECTUAL PROPERTY PROTECTION (SIPP), https://ipindia.gov.in/writereaddata/images/pdf/statupUps_Scheme_05May2016.pdf.

¹⁷ *To secure sellers trademark, Amazon launches IP Accelerator programme in India*, THE HINDU BUSINESSLINE (2021), <https://www.thehindubusinessline.com/companies/msme/to-secure-sellers-trademark-amazon-launches-ip-accelerator-programme-in-india/article35131647.ece>.

¹⁸ Handler, S. (2021) *Lawyers aiding Chinese on fake trademarks targeted for sanctions*, Bloomberg Law. available at: <https://news.bloomberglaw.com/ip-law/trademark-office-targets-attorneys-for-fraudulent-applications> (Accessed: January 14, 2023).

¹⁹ The Trade Marks Act (1940).

²⁰ The Trade Marks Registration Act (1875); Trademark Act (1870).

conducted at the official portal of the US²¹, UK²², and India²³ provides, number of filings to be at 6.2 million, 3.6 million and 4.75 million respectively. However, the trajectory of this growth for India has been anything but gradual or steady.

A cursory look at trademark applications until 2009 provides the total number of applications filed to be 1.9 million²⁴. From 2009 to 2020 however, the applications reached to a whopping 4.75 million²⁵. That means that the number of applications filed in the last decade is 1.5 times the total number of applications filed in the past 70 years. This kind of exponential growth merits a peek under the hood into the changes that have led to this boom in trademark filings.

A watershed moment in this regard was India's ratification of International Madrid Protocol. India ratified the protocol on July 8, 2013. However, for the Indian Trademark Registry to meet the protocol standards, preparations began as early as 2007²⁶ with a substantive legislation to specifically address Madrid Protocol being promulgated in 2010.²⁷

The legislative intent aside, the amendment brought serious changes to improve the Trademark Registry's functioning. The Madrid protocol required that all applications received under it to be disposed of within a year.²⁸ The protocol, however, allowed parties to extend the timeline by up to 18 months, and India exercised this option at the time of accession.²⁹

Given India's state of administrative and bureaucratic capabilities at that time, processing applications in any timeline below 18 months seemed impossible. For example, under the Madrid protocol, trademarks in India were given protection for ten years from the date of filing. Yet, the

²¹ *Trademark Status & Document Retrieval* (no date) *United States Patent and Trademark Office*. available at: https://tsdr.uspto.gov/#caseNumber=6250000&caseSearchType=US_APPLICATION&caseType=DEFAULT&searchType=statusSearch (Accessed: January 14, 2023).

²² *Trade mark number UK00003573000* (no date) *Search for a trade mark - UK Intellectual Property Office*. available at: <https://trademarks.ipo.gov.uk/ipo-tmcase/page/Results/1/UK00003573000> (Accessed: January 14, 2023).

²³ Application No 4750000, E-Register & Application Status. available at: <https://ipindiaonline.gov.in/eregister/eregister.aspx> (Accessed: January 14, 2023).

²⁴ Custom Dataset.

²⁵ Custom Dataset.

²⁶ *The Trademarks (Amendment) Bill 2009 - Implementing the Madrid Protocol, Rajya Sabha passes the Trademark Amendment Bill, 2009 after a spirited debate*, SPICYIP, <https://spicyip.com/2010/08/rajya-sabha-passes-trademark-amendment.html>.

²⁷ The Trade Marks (Amendment) Act (2010).

²⁸ Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks art. 5(2), June 27, 1989, 15 U.S.C 1141a(b).

²⁹ TEXT OF RESERVATION OF INDIA WHILE ACCEDING TO MADRID PROTOCOL, <https://wipolex.wipo.int/en/treaties/parties/remarks/IN/8>.

Registry's situation was such that the process of registering trademarks itself took more than ten years.³⁰

The process has without a doubt gotten faster in the years since then, however, there still exists many applications that are not disposed of within the 18-month period prescribed under the Indian law and the Madrid protocol. An often-ignored problem is the large number of delays caused by antiquated rules and procedures adopted by the Registry, which substantially increase the time taken to process an application. Despite claims of complete automation,³¹ the analysis of trademark data reveals that the Registry's backend makes minimal use of technology. For example, when a third-party file an opposition to a mark advertised in the trademark journal, the intimation of the same is conveyed to the trademark applicant. The Registry has been found to have taken as long as two months to convey such an opposition. If the intimation of this notice was triggered automatically, the delay will get effectively reduced to 0 days.

This article makes a cogent case for fixing the backlog through automation and revamping of existing rules and procedure. The article is broadly divided into five sections. The first section discusses the data that is available in the public domain and discusses the applicable laws governing this data. The second section brings forward a detailed discussion on Indian trademark rules and regulations, highlighting with data that following the presently mandated process will take more than 19 months to get a trademark registered. This is despite the fact that 18 months is the maximum time prescribed under the Madrid Protocol. This section also focuses on major points of delay. The third section dives into the functioning of the Registry itself while the fourth section makes a case for automation to address the backlog and uses data to show that the proposed changes will not cause any major disruption to the existing stakeholders. The fifth section recommends approaches towards realizing a more efficient and business-friendly environment for trademark registration.

At this early stage, it is also relevant to point out that unlike other major IP hubs (such as the UK, Europe, Australia, US, and Canada), India has chosen not to share the bulk of its dataset with the public. This has been a major limitation for any analysis on the working of the Indian trademark registry. This article, however, analyses the data contained in the electronic register unavailable in

³⁰ INDIA'S TRADEMARK ELECTRONIC REGISTER, <https://ipindiaonline.gov.in/eregister/eregister.aspx>.

³¹ *About Us*, IP INDIA, <http://www.ipindia.nic.in/about-us-tm.htm>.

the public domain, and combining it with annual reports of the trademark registry is the first data-driven analysis on the working of the Indian Trademark Registry.³²

III. SCOPE OF THE PAPER

This Article does not endeavour to formulate a complete working policy for the Registry in the filing and processing of trademarks applications. Instead, it seeks to make a balanced assessment of these processes in India. Surprisingly, one of the findings in this article has been that despite the Registry's major impediments, it has been able to control the backlog, albeit to a limited extent. However, it is necessary to point out that there are certain practices that have a direct bearing on the backlog, and unless they are completely revamped, it is unlikely that the Madrid Protocol will ever be fully implemented in India. It is problematic, to say the least, that even after a decade of India's plans to implement the Madrid protocol, the Registry is still not able to catch up with the required standards.

One key aspect that this paper will not delve into due to resource constraints is a qualitative analysis of the Registry's performance. Even though the Registry has managed to sustain itself through backlogs, this has come at an immense cost i.e. that cost of quality, and this is not without its consequence. Recently, the multinational giant Sony Corporation was forced to stall the launch of its PS5 gaming console thanks to a trademark squatter who had registered a trademark in the same name.³³ This happened despite the fact that Sony in general enjoys global trademark recognition, especially for its "PS" gaming console series.

Similarly, another person was able to register 'N95'³⁴ for medical apparatus, that included masks in the year 2020 during the COVID19 pandemic when the world at large was aware of the term being used for respiratory masks³⁵. The Registry needs to have more robust training programs and workflow processes in place to avoid such situations. More work needs to be done in this regard, and a more detailed analysis is required to further study the problem. Keeping in mind that quality

³² Office of the Controller General of Patents, Designs & Trade Marks publishes annual reports which provide macro data of the registry's operations. The primary data used in this article, however, uses a custom-built dataset of millions of individual records contained in the electronic register with each record hidden behind captcha and unavailable in bulk format.

³³ *How a trademark issue may impact Sony's big plans in India*, TIMES OF INDIA (2020), <https://timesofindia.indiatimes.com/gadgets-news/how-a-trademark-issue-may-impact-sonys-big-plans-in-india/articleshow/78516951.cms>.

³⁴ Application No. 4487559 (marked for SCE)

³⁵ CDC, *Personal Protective Equipment: Questions and Answers*, CENT. DIS. CONTROL PREV., <https://www.cdc.gov/coronavirus/2019-ncov/hcp/respirator-use-faq.html> (last visited Jan. 12, 2023).

is central to any efficiency conversation, recommendations made in the paper will not compromise the quality of the current process but will rather provide more time to registry officials so that they can spend more time conducting a thorough examination of applications.

IV. EMPIRICAL ANALYSIS: WHERE IS THE DATA?

A. Indian Law and the Open Data Regime

This article has earlier discussed that the Indian Registry does not provide a bulk dataset for analysis to the general public. The National Data Sharing and Accessibility Policy, 2012 (NDSAP) requires government authorities to proactively disclose all ‘sharable non-sensitive’ data in a machine-readable format.³⁶ The policy does not define sensitive data but leaves it to be interpreted by various rules and statutes.³⁷ On the other hand, shareable data has been defined as data that is not part of the negative list, and each government department has been given a free hand in determining what the negative list is comprised of.³⁸

The implementation guidelines under the NDSAP seek to provide a “*platform for proactive and open access to the data generated by various Government of India entities.*”³⁹ The platform in question is ‘data.gov.in’,⁴⁰ which contains some isolated macro trends on patents, but does not contain any meaningful data on trademarks. The Trademark Registry’s official portal contains no reference to the NDSAP or any negative list. It does provide access to updated data but the record of one trademark at a time and no bulk data. There exist more than 4.75 million records and each record can only be accessed after solving a complicated captcha.

Further, accessing details about a single record requires a user to click twice or in case of a bot to send two HTTP (hypertext transfer protocol used to access webpages (hypermedia documents)⁴¹) requests. To get a complete record of a single trademark including all its regulatory filings, one may have to send as many as 100 requests. This means, that assuming each record has ten filings, the total number of HTTP requests will be around 48 million for each record. Therefore, unless

³⁶ OBJECTIVE CLAUSE, NATIONAL DATA SHARING AND ACCESSIBILITY POLICY (2012) , http://geoportal.mp.gov.in/geoportal/Content/Policies/NDSAP_2012.pdf.

³⁷ Clause 2.10, OBJECTIVE CLAUSE, NATIONAL DATA SHARING AND ACCESSIBILITY POLICY (2012) , http://geoportal.mp.gov.in/geoportal/Content/Policies/NDSAP_2012.pdf.

³⁸ Clause 2.11, OBJECTIVE CLAUSE, NATIONAL DATA SHARING AND ACCESSIBILITY POLICY (2012) , http://geoportal.mp.gov.in/geoportal/Content/Policies/NDSAP_2012.pdf.

³⁹ IMPLEMENTATION GUIDELINES FOR NATIONAL DATA SHARING AND ACCESSIBILITY POLICY (NDSAP) (2012) <https://data.gov.in/sites/default/files/NDSAP%20Implementation%20Guidelines%202.4.pdf>.

⁴⁰ OPEN GOVERNMENT DATA (OGD) PLATFORM INDIA, <https://data.gov.in>.

⁴¹ HTTP, MDN WEB DOCS, <https://developer.mozilla.org/en-US/docs/Web/HTTP> (last visited Jan. 12, 2023).

the Indian trademark registry releases a bulk machine-readable dataset to the public, any meaningful empirical analysis will remain an impossibility for academics.

Another recourse to the data does exist and that is the Right to Information Act, 2005. The Act allows for any Indian citizen to get access to information from any government department. The Act prescribes a fee which in this case would have been Rs 50 per compact disc per enquiry.⁴² The Act, however, comes with its own set of caveats and a lengthy procedure to access any meaningful information. In the past, the author faced immense difficulties with virtually no positive results while trying to obtain much smaller datasets from other governmental organisations using this approach. At times, the data is scattered across, and department does not have either the inclination or at times the resources to compile it. As a result, no attempts were made to get the bulk dataset through this approach. While filing applications under this Act has been successful in other government departments, it is still subject to long-time frames, with no ultimate guarantee of access to the data. For these reasons, the author has abandoned this approach. The Supreme Court of India has also enunciated a ‘right to know’ as a constitutional right in India, but its scope is somewhat limited, and it will not be applicable in current circumstances.⁴³ No other legal mechanism exists other than the above two to get meaningful access to governmental data.

1. What data is available?

There exist three primary sources that contain relevant data i.e. the electronic register and filing data. These consist of the weekly trademark journal, annual reports of the registry, and the electronic register. This article draws upon the annual reports and the data contained in the electronic register. The strength of each data source along with the rationale of its usage is discussed in the following paragraphs.

The first source is the trademark journal which is published weekly. The trademark registry archive is a fascinating source where all the journals, including the first journal published on September 1, 1943, can be accessed.⁴⁴

⁴² *Guide On The Right To Information Act, 2005*, MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES & PENSIONS, https://rti.gov.in/rticorner/guide_2013-issue.pdf.

⁴³ Central Public Information Officer, Supreme Court of India v. Subhash Chandra Agarwal, (2010) Civil Appeal No. 10044 of 2010.

⁴⁴ IP INDIA JOURNAL ARCHIVE, <https://ipindiaonline.gov.in/journaltmr/frmjournalininput.aspx>.

This data repository is one of the most reliable sources available, but it suffers from multiple constraints, some of which are discussed below

- 1) The data is not machine-readable. Older archives are scanned as digital copies making for poor machine readability. Even the digital PDF copy of recent journals makes for a poor substitute compared to structured data in CSV/JSON/SQL/XML format.
- 2) The data is not available in a uniform format. Over the years, the number of data points covered and the format in which information is stored has changed multiple times, making any attempt to automate obtaining information very tedious.
- 3) The information available for analysis in journals is extremely limited. Even in the most comprehensive iterations, the scope of information is minimal compared to what is available on an electronic register.
- 4) Another constraint is that the information available on publication date makes the older dataset almost redundant (except in very few instances).

The second source is the Annual Reports of the Controller General of Patent, Designs & Trade Marks.⁴⁵ The reports provide a unique insight into the Registry's functioning but are not available for the years before 2002. The available data in the reports covers macros and therefore scope for an incisive analysis is not possible. However, to the extent that the data was relevant in these reports, this article incorporates them.

The third and most comprehensive source available is the electronic register.⁴⁶ It is by far, the most comprehensive source and acts as the primary dataset for this article. However, it comes with its own set of problems: -

- 1) The data contained in the electronic register is not always correct.⁴⁷ Conversations with multiple practitioners in trademarks have law also revealed that the electronic register often has issues with digitisation, especially in the description of the image marks in words. However, most of the data points that this article uses for analysis, such as filing date of documents or the content of an examination report are either automatically generated or are substantially correct.

⁴⁵ ANNUAL REPORTS OF THE INDIAN INTELLECTUAL PROPERTY OFFICE, <http://www.ipindia.nic.in/annual-reports-ipo.htm>.

⁴⁶ *Supra* note 11, at 2.

⁴⁷ Reproducing the disclaimer from the electronic register verbatim "*Warning/Disclaimer : the data of trade marks registry is under the process of digitisation, if any discrepancy is observed in the data please contact or submit at appropriate trade marks registry alongwith supporting documents. this will help in updation of electronic records.*"

- 2) The dataset is machine-readable, but it is not readily available in a structured format such as JSON/XML/SQL. As a result, any code written to extract the data extracted through an automated crawler⁴⁸ can have issues in it as the bot had issues in handling data that did not conform to a specific standard format. As far as practical, the author has ruled out any such eventuality, but the possibility of such an error creeping into the code, and thereby affecting the result cannot be precluded completely. This was done by manually verifying smaller chunks of dataset selected at random to ensure that information being stored was the same as one contained on the electronic register. Proprietary algorithmic checks were designed to ensure that in instances where a field is expected to be present but is not obtained, human oversight was brought in to ensure that the fault was not with the bot.
- 3) The dataset is not easily accessible. The electronic register cannot be downloaded in bulk. Each record is behind a captcha and to obtain the entire dataset requires millions of calls through automated software. Such an undertaking requires tremendous infrastructure and technical resources seeing as the Registry provides neither bulk datasets nor any API-based access.
- 4) The dataset suffers partially from recency issues. The dataset used in this article due to its enormous size was scraped together in parts over a period of six months. As a result, there exists a difference in the recency of data across the dataset. The status of the first mark scraped from the electronic Registry is six months older than that of the last mark that was scraped.
- 5) Filing data is not available for all marks.⁴⁹ As discussed above, due to the enormous size of the dataset, filing data was scraped for 43,425 randomly selected marks.⁵⁰ Other data contained in the electronic register, however, was extracted for all 4.75 million marks⁵¹.
- 6) Filing data and few other smaller datasets are not entirely randomised. The dataset was scraped from the Registry to build a trademark practice management software. Additional data points such as filings information were not scraped for all marks but rather on a per need basis to assist marketing and business development activities which to an extent has impacted the randomness of the dataset. To mitigate the same, limited analysis has been carried out on these smaller skewed datasets. As a result, certain biases may have crept into

⁴⁸ Abu Kausar, Vijay Dhaka & Sanjeev Singh, *Web Crawler: A Review*, 63 INTERNATIONAL JOURNAL OF COMPUTER APPLICATIONS 31–36 (2013).

⁴⁹ *Correspondence & Notices, and Uploaded Documents*, ELECTRONIC REGISTER, <https://ipindiaonline.gov.in/eregister/eregister.aspx> .

⁵⁰ Custom Dataset

⁵¹ *Id.*

the smaller additional datasets. For example, these datasets skew towards marks filed in the past decade and towards marks filed by big law firms and business organisations.

- 7) The dataset is not complete. The journal dataset excludes marks which never reached the stage of publication; similarly, the electronic record has many marks removed from their register from time to time. Also, the earliest marks have not been digitised. For example, there should exist one million marks between serial number one and one million. However, the total number of marks available on the register is 654,427. Therefore, the discrepancy is of more than 345,00 marks. The count's discrepancy has reduced to an insignificant number as we move towards recent years. Only 3,224 marks were missing between application number 35,000,000 and 45,000,000, a statistically insignificant anomaly of 0.32% that can be easily attributed to removed marks and invalid applications.⁵²

There exists one more issue that prevents one from ensuring the completeness of the data. To understand this issue, we need to understand how the Registry works. Every trademark application that is filed with the Registry is assigned an application number. The application numbers are assigned sequentially through a centralised server situated in Delhi.⁵³ The claim in practice seems correct, but several discrepancies exist with the dataset, which shows that the process is not entirely automated or suffers from errors in record keeping.

To illustrate, let's take a look at application No. 4394902, which was filed on December 31, 2019. The next application numbers, which are 4394903, and 4394904 were filed on January 01, 2020. This follows the sequential assigning of application numbers. The issue is that when one takes a look at application Nos. 4394918 and 4394919, and sees that they were filed on December 31, 2019, the sequential assigning of application number no longer seems to be applied in practice. If the serial numbers were assigned sequentially by a centralised server, then these marks should have an application number lesser than 4394904 and not the other way around.

If the marks in question had been filed physically, then such disparity could be justified. However, that is not the case. The Registry claims that all changes on server were made on a real-time basis so no latency issue could creep in.⁵⁴ If the marks were sequentially next to each other there could have been a case multiple marks being filed exactly at midnight but since multiple marks exist in between such a claim cannot be entertained. Further, this is not just one isolated instance, but

⁵² Custom Dataset.

⁵³ *Supra* Note 12, at 2.

⁵⁴ *Supra* note 12, at 2.

several such examples of inaccurate filings highlight the negligence with which the registry processes applications. For example, application no 4461913 was filed on Oct 15, 2018 whereas 4461912 and 4461914 were filed on Mar 04, 2020.

Despite the constraints, the author has been able to get plenty of relevant findings that could be of use to anyone who wishes to understand India's trademark landscape.

2. *Is the data reliable?*

The previous section has discussed the concerns around the data's availability and accuracy. Another significant concern is the completeness of the dataset that has been used to come up with the analysis in this paper. To mitigate this concern, the author has collated the figures from the Annual Reports from 2009 to 2018⁵⁵ to see if there is any inconsistency between the number of filings in the dataset and that is present on the Electronic Register.

To determine the discrepancy, figures of annual filings were collated from the Annual Reports. Overall, for the period between 2009 and 2018, there is a discrepancy of 30,699 records which exist on the Electronic Register but do not exist in the dataset used for this paper. Thus, the error margin rate stands at 0.98%. That being said, these records of filings as per the annual report cannot be considered to be completely reliable as well.

Table 1: Number of applications filed year wise as per the annual report and the dataset used in the paper

Year	No of filing (Dataset Used in this Article)	No of filing (Annual Report)
2000	83,351	84,275
2001	90,263	90,236
2002	89,258	94,120
2003	95,131	92,251
2004	70,485	78,996
2005	80,783	85,699
2006	100,010	103,419

⁵⁵ Office of the Controller of General of Patents, Designs & Trademarks, ANNUAL REPORTS <https://www.ipindia.gov.in/annual-reports-ipo.htm>.

2007	116,647	123,514
2008	131,979	130,172
2009	133,891	141,943
2010	174,788	179,317
2011	179,503	183,588
2012	191,262	194,216
2013	202,657	200,005
2014	216,321	210,501
2015	275,285	283,060
2016	296,462	278,170
2017	266,517	272,947
2018	324,935	323,798
Total	3,119,528	3,150,227

SOURCE: Annual reports of the Controller General of Patents Designs and Trademarks and the Custom Dataset built using data from the Electronic Register used in this article

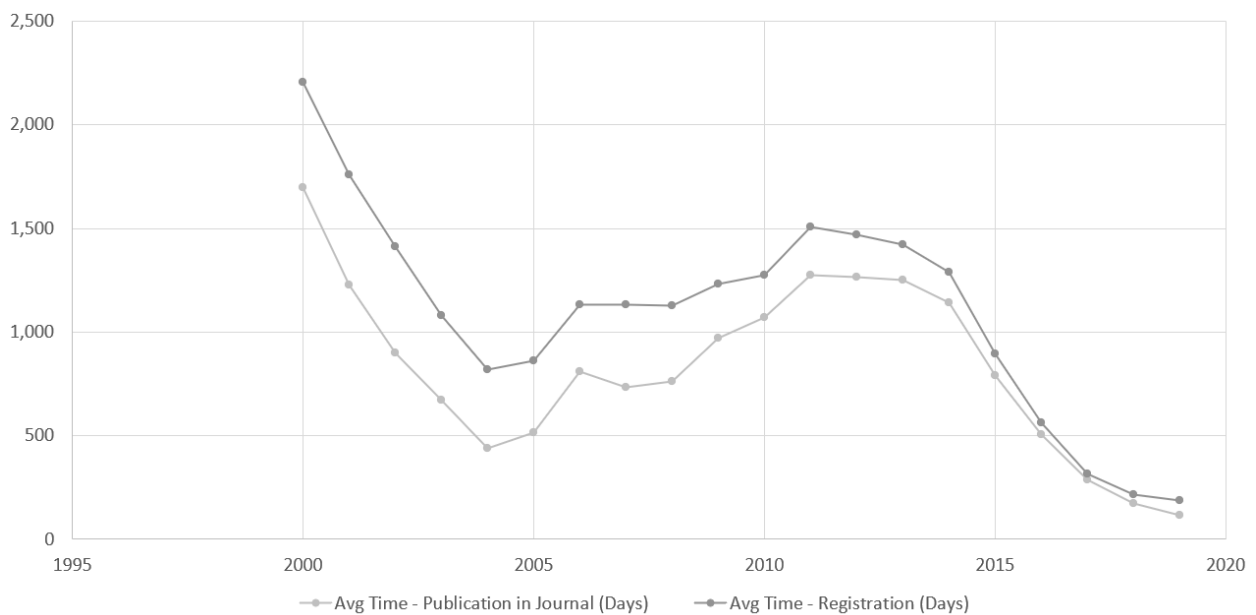
Table 1 above shows that for multiple years including 2001, 2003, 2008, 2013, 2014, 2016, and 2018, the paper’s dataset had more records than the number stated in the Annual Reports.

While it is not clear why this discrepancy exists, the other applications may have been either invalid (applications which have been filed with improper fees or incorrect details) or removed (applications removed from time to time which have been rejected for a variety of reasons) and hence struck off the register. This assertion is based on the fact that a list of missing marks was created once data of all marks was obtained from the Electronic Register to ensure that the dataset was complete. Since the marks follow sequential numbering, all marks were identified for which there was no data. After that, once again, an attempt was made to obtain the data for these marks, but the response for each of these marks was found to be ‘Invalid’ from the electronic register. Hence, there is a certainty with regard to completion of the dataset.

V. WHAT PLAGUES THE INDIAN REGISTRY?

Figure 1 below shows how the Indian Trade Mark Registry has successfully reduced the average time taken for registering a trademark from 2,204 days in 2000 to 187 days in 2019. Keep in mind that the statistics can only be gathered for marks that have reached the registration or publication stage, and there exist many marks which are pending at the interim stages and therefore, cannot be accounted for. However, the achievement is still laudable, considering that the number of applications received by the Registry in 2019 (349,930 marks) was 2.56 times the number of applications filed in 2009 (133,891 marks).⁵⁶ Much work still remains to be done. Comparing the Registry's performance for the same period with that of the UK Intellectual Property Office⁵⁷ and US Patent and Trademarks Office⁵⁸ shows that the Indian Registry is taking considerably longer than its counterparts to process these applications.

Figure 1: Year wise time taken by the registry (in days) to publish and register an application



NOTE: The data is only for marks which reached the publication or registration stage and not for all marks filed during the period.

SOURCE: Custom Dataset built using data from the Electronic Register

⁵⁶ Custom Dataset.

⁵⁷ THE PATENT OFFICE ANNUAL REPORT AND ACCOUNTS (2018-2019), https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/849718/annual-report-and-accounts-2019.pdf.

⁵⁸ PERFORMANCE AND ACCOUNTABILITY REPORT FY (2019), <https://www.uspto.gov/sites/default/files/documents/USPTOFY19PAR.pdf>.

As per the Registry, a switch was made from a semi-automated to fully automated filing system to accommodate the requirements of the Madrid protocol.⁵⁹ The claim of complete automation in place has been contested elsewhere in this article, but it is undisputed that the changes had a considerable impact on the Registry's performance. Yet, despite the improvements, a considerable backlog remains and it needs to be analysed as to where the fault lines exist. The following section discusses some of the key problems that are preventing the registry from becoming fully compliant with the mandate of the Madrid Protocol.

A. Regulatory Landscape: Issues with the existing rules and procedures

Trademark registration is admittedly a lengthy process. It commences with a trademark search on the register where one tries to ensure that no similar mark exists in the register within the same class. Before accession to the Madrid Protocol, this was a cumbersome process in India. The search required the applicant to file an application with the Registry in the form of TM-54 and wait for 30 days⁶⁰. The process required a fee of ₹500 per mark per class. In case of urgency, the search process could have been expedited by filing form TM-71, but that required a fee of ₹2,500 per mark per class.⁶¹ In 2011, this requirement was practically done away with when the Registry opened access to the electronic register to the public free of cost.⁶²

The next step is filing the application with the Registry, a process handled adequately for the most part, by the current e-filing system. The role of the Registry kicks in once the application is filed with them. Once an application is filed with the Registry, the process that follows has been succinctly captured by the Registry itself⁶³ in a flow chart which is presented below:-

⁵⁹ N Babu, *India's Accession to The Madrid Protocol And Its Challenges*, https://www.wipo.int/edocs/mdocs/aspac/en/wipo_tm_tyo_2_16/wipo_tm_tyo_2_16_2_6.pdf.

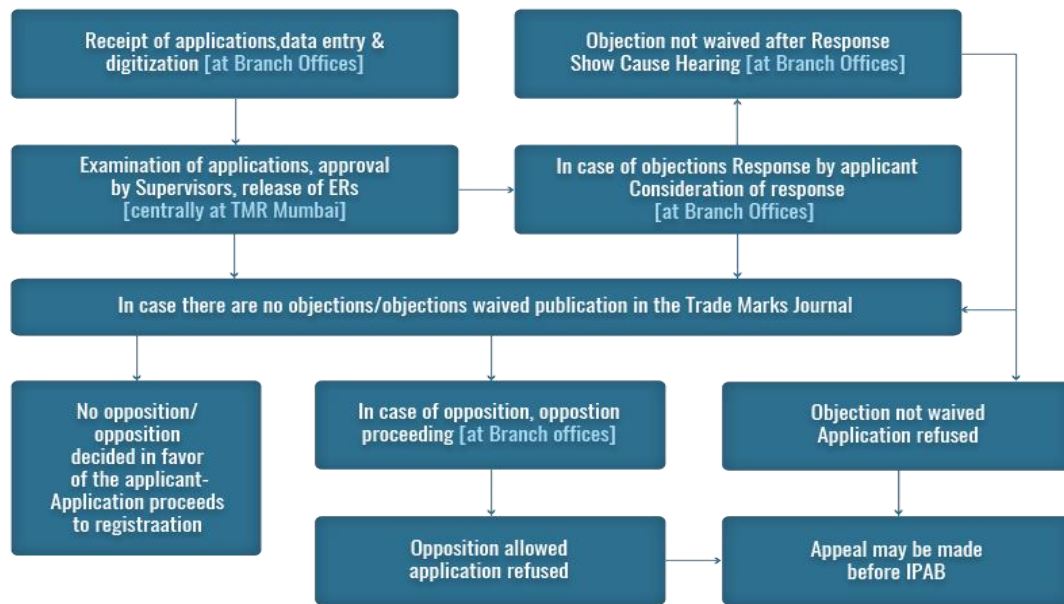
⁶⁰ Trademark Rules, 2002, r. 24 (India).

⁶¹ Trademark Rules, 2017, r. 24 (India).

⁶² Himanshu Sharma, *India: Indian Trademark Office: A Journey Towards A Better Future*, MONDAQ (2017), <https://www.mondaq.com/india/trademark/652130/indian-trademark-office-a-journey-towards-a-better-future>.

⁶³ WORKFLOW CHART, <http://www.ipindia.nic.in/workflow-chart.htm>.

Figure 2 : Flowchart describing the trademark filing process



SOURCE : Official Website of the Controller General of Patents Designs and Trademarks

TMR, here, is an abbreviation for Trademark Registry. Once the mark passes preliminary scrutiny, an Examination Report (ER) is issued, which is the Registry’s opinion on whether a mark should proceed for publication in the journal or is objected to. If accepted for publication, the mark remains open to the public for four months from publication date during which anyone having a similar mark can file an opposition. If there is no opposition, the mark is forwarded for registration.

B. Serving Documents: Issues with Delay

The workflow of the Registry in the previous section is relatively straightforward. What is omitted from the flowchart, however, is the timeline prescribed for each stage of the process which can be extremely long. For instance, if the Registry issues an objection in the examination report, the applicant can respond to the same within one month from the *date of receipt* of the examination report.⁶⁴

Assuming a mark reaches the publication, stage and opposition is filed, countering said opposition and resolving it can take months together. Once an opposing party has filed an objection with the Registry, the Registry has three months to serve a notice to the applicant to respond.⁶⁵ The applicant on the other hand is given two months to respond with his counterstatement from the

⁶⁴ Trademark Rules, 2017, r. 33(4) (India).

⁶⁵ Trademark Rules, 2017, r. 42(5) (India).

date of receipt of the notice.⁶⁶ Why the Registry is given three months to serve a mere notice while the applicant gets only two months to respond needs to be examined.

The process does not end here. Post the filing of the response to the counterstatement, the Registry receives another two months to serve it upon the opposing party,⁶⁷ who in turn gets another two months to file a response to the same (evidence in support of opposition).⁶⁸ A time frame is made available to the applicant (evidence in support of application)⁶⁹ which extends the process by another two months. This is still not, however, the final round of the process. The opposing party gets one more attempt in the form of ‘evidence in reply by party’,⁷⁰ and the applicant then gets to submit the final response in the form of ‘further evidence’.⁷¹ Each of the parties gets an additional one month to complete these responses.

Suffice it to say the Trademark registration process is lengthy and cumbersome. While it could be argued that giving parties multiple opportunities to file responses and counter is good for a thorough registration process, the timelines for said processes are not. The author submits here that if each party were to avail the maximum time permitted at each stage, then the whole process would exceed 15 months. This is problematic considering when compared to the ideal benchmark i.e. 12 months for the disposal of an application from date of filing prescribed under the Madrid Protocol. The problem is further exacerbated by the Intellectual Property Appellate Board’s interpretation of Section 131 of the Trade Marks Act which gives Registrar the option to allow further time in addition to what is already available under the rules.⁷² Therefore, it is clear that this process needs to be condensed to fit into the Madrid Protocol framework.

Consider the case of X who files a trademark for ‘Unique Mark’. Now let us say once X files the trademark, the trademark is examined and cleared in a week and published in the journal within seven days of publication. The mark will remain in publication for four months.⁷³ Consider that Y files an opposition on the last day of the prescribed period. The application is now already four months and seven days old.

⁶⁶ Trademark Rules, 2017, r. 44(1) (India).

⁶⁷ Trademark Rules, 2017, r. 44 (India).

⁶⁸ Trademark Rules, 2017, r. 45 (India).

⁶⁹ Trademark Rules, 2017, r. 46 (India).

⁷⁰ Trademark Rules, 2017, r. 47 (India).

⁷¹ Trademark Rules, 2017, r. 49 (India).

⁷² *Sabil Koblí v. The Registrar of Trade Mark*, OA/6-8/2018/TM/DEL IPAB.

⁷³ Trademark Rules, 2017, r. 42 (India).

The subsequent period of opposition filings and counter filings itself can take up to 15 months, if each of the parties i.e. the applicant, opposing party, and the Registry make use of the full timelines extended to them under the process. Nineteen months and seven days have already elapsed, which is more than the maximum prescribed period of eighteen months for disposal of applications under the Trade Marks Act.⁷⁴ The application is still nowhere close to being disposed of, pending the perusal of all submitted materials by the Registry and completion of further formalities for acceptance into the journal.

The current system's prescribed period of filing far exceeds any reasonable standard of efficiency and hinders the growth of the trademark industry, not mention ease of doing business. If the Indian regime has any hopes of being Madrid Protocol compliant, it must reimagine and overhaul the current process in a significant way.

C. Is it a real problem?

The previous section articulates that even if everything happened in accordance with the rules, the existing framework is insufficient. One might argue that the prescribed timelines prescribed above are extremes and most applications must be processed much sooner than that. A closer look at the numbers reveals whether or not this problem is a ground reality.

Section 23(1) of the Trademark Act allows an application to be disposed of within eighteen months from the date of filing. Keeping in mind that, the eighteen-month period is a special exemption given to state parties under the Madrid Protocol, barring which the norm is, twelve months. Eighteen months implies 547 days on an average. A cursory look at the numbers for the preceding year will tell us that as late as 2019 there exist marks which are taking more than 547 to get registered. Table 2 below provides a year-wise list of the number of marks that took more than 547 days to register.

Table 2 : Year wise distribution of total marks registered and the number of marks which were registered post 18 months from date of filing

Year	Total Number of Marks registered	No of Marks with a registration period of more than 547 days
2009	89,839	74,562

⁷⁴ Trade Marks Act, 1999, § 23(1), No. 47, Acts of Parliament, 1999 (India).

2010	112,108	85,704
2011	109,974	110,428
2012	112,857	110,838
2013	114,144	110,599
2014	117,902	112,343
2015	160,555	114,333
2016	169,576	63,688
2017	154,589	23,482
2018	177,347	7,117
2019	86,018	6

SOURCE: Custom Dataset built using data from the Electronic Register

While one may take some respite in the decreasing number of applications each subsequent year, one must note that the data is only for registered marks. For example, less than half the number of marks registered in 2019, compared to those in 2018, despite, a greater number of trademark filings being made in 2019. This implies that a lot of marks filed in the year 2019 are currently stuck at interim stages and take even further time to get registered. Accordingly, the figure for marks exceeding the 547 days threshold is not static and is liable to increase as and when the marks that are stuck at interim stages do get registration.

From these numbers, it is all the more apparent that the current regime governing trademarks is insufficient to meet the Madrid Protocol's thresholds. The fact that the Registry is unable to handle its workload, is evidenced by the backlog. We would, therefore, benefit from an analysis of what are the major issues that prevent the Registry from doing so.

D. Hidden Gaps: Identifying the real culprits

The problems of datasets and the pervasive procedural problems in the Registry require certain changes that can only be meted out gradually to ensure that all stakeholders can adapt to them. Nevertheless, there exist hidden gaps within the Registry framework that if addressed can substantially reduce the time involved in disposing of a trademark application.

First is the delay during the issuance of the examination report. As discussed earlier, when a trademark is filed, the Registry searches through the electronic register to determine whether the impugned mark is eligible for registration or not. Depending on the search results, the Registry issues a positive or negative opinion. These reports are time-stamped and provide the date on which the search was conducted and how the final opinion based on search results was issued.

To look into the issue, the author analysed 322,229 examination reports whose date of search corresponded to the year 2019. These applications could have been filed in any year and need not have necessarily been filed in 2019. The dataset may have also included older applications stuck at some earlier stage, which were examined in 2019.

Searching the electronic Registry for similar potential marks is the first step in determining whether an application will be accepted or objected. The Examiner also needs to apply their mind while issuing an opinion in an examination report. To save Examiner's time, the Registry has created boilerplate responses into which the Examiner has to fill in the crux of their reasoning. As a result, due to the absence of any benchmarks, in the author's estimation, it would not be unreasonable to expect the Examiner to take two to three working days to come to a final decision. A more liberal figure could be seven working days. However, even when the difference between the search and issuance date is seven days, only 32% of the applications are processed within this timeline. The average difference between the search and the issuance date was 11.7 days, with the maximum difference being 146 days for Application No. 4110532, where the date of search is Oct 17, 2019 and date of issuance is March 11, 2020.

A centralised automated system could prevent such a situation where the Examiner cannot proceed with further searches without first disposing of the application for which a search has already been conducted. The delay between the search and the issuance date also impacts the search quality. Due to this considerable time gap, there is some probability of developments happening such as filing of similar marks which claim prior use for instance, which can impact the decision of the Examiner but would not do so due to an older search report being used. A well thought out automated system would weed out such inefficiencies and consequent delays.

The author, however, accepts that while the above analysis establishes a need for revamping existing procedures, it does not make a case that lagging automation is one of the reasons for the

delays happening in the system. So far, we have only established that the antiquated rules and procedures along with manual intervention need to be taken care of.

To highlight, the need for automation further, we take a look at the data of marks which have been opposed by a third party. The dataset is a subset of the filing data discussed earlier. From the filings data, a smaller dataset of applications was built all of which had their status as ‘Opposed’. There were 2,316 such trademark applications. Out of these 2,316 applications, details of all such applications were obtained for which both the details of filing of opposition and that of the intimation of the opposition by the Registry to the applicant were available. There were 580 such applications.

The final dataset of 580 applications is a comparatively smaller dataset. This is because to start with the filings data itself only had 43,425 unique applications and the number of opposed marks at any time itself is rather limited. For instance, in the current dataset, when all marks since inception and those filed until December 31, 2019, were categorised as per their status, only 3.5% marks had their status as ‘opposed’.⁷⁵ So, the dataset of opposed marks in itself would be smaller.

Another constraint was that the dataset we were building had limited use cases for opposition marks and as a result, the filing dataset was not available for many marks which were opposed. The third constraint was that this dataset could not have been built with extensive automation and required manual collation and verification, and as a result, the author was not able to build an extensive dataset.

The upside to this is that the findings do not require an extensive dataset. Even one positive would have been sufficient, but the author presents 580 to substantiate his case. Table 3 below gives the dataset’s distribution as per the year of filing and their respective count.

Table 3: Year wise distribution of marks used in the dataset

Year of Filing	Number of Opposed Marks Analysed
2005	2
2009	4

⁷⁵ Total number of ‘oppose applications’ was 1,412,54.

2010	4
2011	12
2012	21
2013	33
2014	80
2015	58
2016	90
2017	77
2018	94
2019	79
2020	26

SOURCE: Custom Dataset built using data from the Electronic Register

Using this dataset, the author analysed the delay between the filing of the opposition of a mark by a third party through the prescribed TM-O form and the intimation of the same to the Registry's trademark applicant the form of Opposition Notice.

It is imperative to remember that when a third party wants to oppose a mark published in the journal, they first need to file an opposition with the Registry, and then the Registry intimates the same to the trademark applicant. Important to note here that the Registry gets a three-month window to pass on this intimation. The Registry checks for basic details in the application and does not go into merits of the application.

Upon analysing the dataset, the average time taken by the Registry to intimate an applicant post filing of an opposition was 63 days. In some cases, the delay was as much as 283 days (for Application No. 3593357, notice of opposition was uploaded on April 10, 2018 and the same was conveyed to the applicant on Jan 18, 2019) which exceeds the three-month timeline permitted to the Registry.⁷⁶ Considering that at this stage, the Registry's role is merely to check that the opposition notice carries all the essential ingredients required under the law,⁷⁷ the same can and should be entirely automated. This can be done by simply setting up a standardised online form to

⁷⁶ Trademark Rules, 2017, r. 42 (India).

⁷⁷ Trademark Rules, 2017, r. 43 (India).

get all the required information. To make the automation comprehensive and error-free, it can be supplemented by a process of preliminary procedural checks which can be taken up at a later stage where a preliminary hearing can be set out for such concerns. This would still be more efficient than allowing the Registry to delay the proceedings by three months, under existing procedures.

Similar delays also occur at other opposition stages where the Registry takes considerable time to forward documents filed by one party to another. These delays also creep in at the examination stage where sometimes physical delivery of examination report is considered the receipt of the same, and the availability of the examination report over the electronic register is not. This is an obvious and easily avoidable delay. Not only would the Registry's processes be streamlined through automation, but its abundantly clear that automation will lead to higher efficiency, transparency and accessibility in the trademark registration process.

VI. WHAT IS THE TRADEMARK REGISTRY DOING?

Even after a decade, the Registry has not fully implemented the Madrid Protocol. There have been visible improvements, but none of these have been fast enough to keep up with the burgeoning industry of trademarks. Perhaps, not all the fault lies with the Registry, its operational capacity and strength of staff are also partially to blame.

Table 4 below provides the sanctioned and the working strength of the Trademark Registry.

Table 4 : Year wise distribution of the sanctioned and the working strength of the Registry

	Sanctioned Strength	Working Strength	Vacant Positions	Vacancy Rate (%)
2002-2003	329	297	32	9.73
2003-2004	329	292	37	11.25
2004-2005	293	238	55	18.77
2005-2006	291	220	71	24.4
2006-2007	292	240	52	17.81
2007-2008	285	211	74	25.96
2008-2009	253	186	67	26.48

2009-2010	254	174	80	31.5
2010-2011	254	169	85	33.46
2011-2012	254	163	91	35.83
2012-2013	254	168	86	33.86
2013-2014	255	173	82	32.16
2014-2015	254	168	86	33.86
2015-2016	255	166	89	34.9
2016-2017	255	149	106	41.57
2017-2018	370	157	213	57.57
2018-2019	373	173	200	53.62

SOURCE: Annual reports of the Controller General of Patents Designs and Trademarks

From 2003 when the Registry had almost full access to the sanctioned strength, a lot has changed in 2019 when less than half of the sanctioned strength manages the entire organisation with almost thrice the workload. The limited automation in place has helped manage the lack of man-power to some extent, but a lot more needs to be done too if the Registry is to the timely disposal of trademarks applications. This begs the question; how has a limited workforce and increased workload impacted the quality of the work at the Registry?

To get an assessment of the same, the author analysed the dataset of 322,229 examination reports for which examination searches were done during 2019. Each Examiner gets a unique code which is present on the examination report. In total, there were 99 unique codes.

The mean acceptance percentage for an examiner was at 50.56%, and the mean objection rate was 44.44%. Median for acceptance rate was at 49.77%, and that of objection rate was 50.23%.

Interestingly, among the 99 examiners, the top 5 (arranged in descending order of number of disposed applications) examined 14.11% of all the applications, and the 20 examiners from the bottom examined only 1.38% of the overall applications. The 23 examiners from the top examined more than half (51.47%) of the applications and 43 examiners from the top examined three quarters (75.25%) of all the applications. Considering the same, the standard deviation at 9.23 is a respectable figure. It shows that the likelihood of an application being accepted or objected

remains more or less the same irrespective of who examines the application. This is an outstanding achievement considering the Registry's increasing workload and that too at a reduced working capacity. However, this still does not answer what is the quality of the assessment made by the Registry. The next section quantitatively examines the quantitative aspects of the registry's examination procedure.

A. Quantitative Review of the Efficacy of the Registry's Examination

For the purpose of examining how effective is the registry's examination process, 309,189 marks were analysed that were filed in the year 2019. Out of these 309,189 marks, 150,108 (48.54%) marks were accepted by the registry and the remaining 159,081 (51.46%) marks were rejected by the registry. Table 5 provides a further breakdown of 159,081 marks that were rejected.

Table 5 : Detailed Classification of Rejected Marks

Category	No of Marks	Marks (%)
Absolute Objection ⁷⁸	109,753	69
Relative Objection ⁷⁹	36,517	22.95
Both Absolute & Relative Objection	10,768	6.77
Cannot be Determined*	2,043	1.28
Total	159,081	100
*A custom bot was built which read the examination reports and determined which report fell under which category. The bot was unable to make a classification with absolute certainty in 1.28% of total applications that were analyzed.		

SOURCE : Custom Dataset built using data from the Electronic Register

⁷⁸ Trade Marks Act, 1999, § 9, No. 47, Acts of Parliament, 1999 (India).

⁷⁹ Trade Marks Act, 1999, § 11, No. 47, Acts of Parliament, 1999 (India).

Thus, a large number of marks as per the Registry’s scrutiny which are objected to, are those which are not unique enough and only a small proportion of opposed marks are objected due to similarity to existing marks. This is good news considering recent empirical studies in the USA have shown that they have already reached congestion to the extent that very high barriers exist for new applicants applying for a mark and they have to routinely settle for suboptimal marks as most wordmarks and their popular variants have already been claimed.⁸⁰ If India were to be facing a similar situation, then the greater number of objections would have come under relative objections and not under absolute objections.

The aggregate discussed above provides that the likelihood of a mark being accepted by the registry is slightly less than that of being rejected. It however does not give any indication as to what happens post the issuance of the examination report. Table 6 provides a breakup of the dataset of marks filed in 2019 as per their status in the year 2020. Please note that the statuses of 307,763 (99.53%) marks were scraped during the first quarter (January – March) of 2020 and the remaining 1,426 (0.47%) marks were scraped during the rest of the year.

Table 6 : Status in the year 2020 of Trade Marks which were filed in the year 2019

Category	No of Marks	Marks (%)
Accepted Marks	104,224	33.71
Rejected Marks Includes marks with status Cancelled/Refused/Abandoned	3,282	1.06
Under Process	201,683	65.23
Total	309,189	100

SOURCE : Custom Dataset built using data from the Electronic Register

Prima facie the first apparent issue is that of the excessive delay in the processing of more than 65% of all applications that were filed in 2019 and were still stuck at the examination stage. The delay cannot have been on part of the applicant as the applicant is mandated under law to file a response within thirty days of receipt of the examination report and failure to do so tantamount to abandonment of the application.⁸¹

⁸⁰ Beebe, Barton and Fromer, Jeanne C., *Are We Running Out of Trademarks? An Empirical Study of Trademark Depletion and Congestion*, Vol. 131, No. 4 Harvard Law Rev. 945 (2018).

⁸¹ Trademark Rules, 2017, r. 33 (India).

Segregating the accepted and objected marks also provides some more insights. Table 7 provides a breakup of the 159,081 marks that were objected during examination as per their status available on the electronic register in the year 2020.

Table 7 : Status in the year 2020 of Objected marks which were filed in the year 2019

Status	Count
Abandoned	577
Refused	2,465
Withdrawn	235
Exam Report Issued	507
Objected	131,909
Accepted	1,596
Accepted & Advertised	15,122
Advertised before acceptance	3,528
Opposed	950
Rectification Filed	2
Registered	2,183
Under Division	7
Total	159,081

SOURCE : Custom Dataset built using data from the Electronic Register

It is problematic, to say the least, that amongst the objected marks, 132,416 marks (83.24%) were still under process. Further, even more, problematic is the fact that amongst the remaining marks, the 23,388 (14.70%) marks that overcame objection were seven times the number of marks that were refused (3,277 marks – 2.06%). The number of registered marks (2,185 – 1.37%) was almost comparable to the number of rejected marks essentially frustrating the entire exercise of having an examination stage.

The situation is considerably better when it comes to accepted marks. Table 8 provides a breakup of the 150,108 marks that were accepted as per their status available on the electronic register in the year 2020.

Table 8 : Status in the year 2020 of Accepted marks which were filed in the year 2019

Status	Count
Abandoned	1,648
Accepted	43
Accepted & Advertised	57,669
Accepted/Readvertise	7
Advertised before acceptance	9
Cancelled	5
Invalid (No fee received)	1
Objected	13
Opposed	9,787
Rectification Filed	79
Registered	80,757
Send to Re-Advertised	1
Under Division	1
Withdrawn	88
Total	150,108

SOURCE : Custom Dataset built using data from the Electronic Register

The aggregate provides that 80,836 marks (53.86%) received registration, 5 were cancelled and an overwhelming 69,267 (46.14%) marks were still under process. This is particularly disturbing because only 9,787 (6.52%) marks were under opposition and the remaining marks were stuck at the interim stages only due to administrative inefficiencies on part of the registry. An interesting anomaly here is the 13 marks that have their status objected. Considering these statistics are of accepted marks, these marks cannot have objected status. The reason for this discrepancy is that the Registry initially issued them an examination report with accepted status but later withdrew its acceptance under Section 19 of the Trade Marks Act, 1958. This usually happens when there is an oversight or error on part of the registry.

From the data, two inferences can be made. First is the undisputed inference, that registry is not able to discharge its duties in a timely manner at the examination stage which is evident by the fact that more than 65% of trademarks were under process in the dataset even though these marks were filed in 2019. The second inference is that in instances where the registry has issued an opinion with status objected, in an overwhelming number of these instances, the registry's decision

was overturned showing a lack of a rigid internal process. The number of cases in which the registry had to overturn its decision was seven times the instances where the opinion issued in the examination report was upheld. However, this figure is liable to change, as the majority of the marks were under process and the possibility of this ratio changing significantly when all marks are processed is bleak but cannot be eliminated out.

It is clear that the registry is unable to handle the current workload as can be seen by the large number of marks that remain pending. It remains to be seen whether the backlog is also impacting the qualitative assessment of these trademarks. The disproportionate number of marks overcoming the registry's objection points towards in this direction but considering more than half of the objected applications have not been processed, the same cannot be said with absolute certainty. As a result, there is a need for a quantitative assessment for determining the registry's quality of analysis.

B. Quantitative Assessment of Qualitative Aspects of Registry's Examination

In order to carry out a quantitative assessment of the quality of examination opinions issued by the registry, our primary focus would be on relative objections under Section 11 of the Trade Marks Act, 1999. This is primarily because for these marks an analysis can be made based on the marks cited by the examiner to support his/her rationale for rejecting the mark. The same cannot be done for Section 9 marks where the registry's objection is on the basis that the mark has no distinctive quality or that the mark is descriptive in nature. The current state of technology prevents the author from making such an assessment and as a result, the scope of the inquiry was limited to Section 11 objections.

The first assessment was done on basis of the status of the marks. When a mark is examined, and the examiner is satisfied that the mark is distinctive enough to muster the thresholds required by the trademark act, a search is carried out on the electronic register to ascertain if there already exists a similar mark in the electronic journal. If there already exists a similar mark then the mark in question will be objected to and will only pass the examination stage if the applicant can make out a case that the two marks are sufficiently different. While issuing an examination report under Section 11, the examination report cites all such marks which in the examiner's opinion are similar to the applicant's mark. The status of these conflicting marks is also cited in the examination report. It is clear at this stage that marks which have already attained final rejection such as those with status 'Abandoned' or 'Cancelled' or 'IR Cancelled' or 'Abandoned' or 'Refused' do not lend any credence to the Examiner but yet they are frequently cited in Examination Reports. Similarly,

marks with the status 'Objected' or 'Provisional Refusal Confirmed' should only be cited when the conflicting mark claims prior use or has been filed before the current mark in question.

The entire examination process that takes place seems rather mechanical and, in some instances, it seems that there has been no application of mind before issuance of the examination report. Amongst the 159,081 marks that were rejected by the registry, 35,347 (23.54%) applications had examination reports issued with at least one conflicting mark having any of the below statuses:

- Abandoned
- Cancelled
- IR Cancelled
- Objected
- Provisional Refusal Confirmed
- Refused

Even more problematic is the fact that in 13,610 (9.06%) applications that were objected all conflicting marks had statuses given in the list above and not a single mark having a different status was cited. 334 (0.22%) applications were such where conflicting marks had status as 'Abandoned'/'Cancelled'/'IR Cancelled'/'Refused'. Each of these four statuses is a terminal status which implies that the claim over the conflicting mark has been refused and cannot be restored and yet the examiner issued an opinion despite having no legal basis to do so.

The analysis above gives some insight into the examiner's mind while issuing an examination report but does not indicate the quality of analysis that went into the examination on a mark-by-mark comparison basis. In order to get a clear picture of the same, the author decided to conduct an aggregate analysis of mark-by-mark comparison for all the examination reports with Section 11 objections. Every conflicting mark cited by an examiner with respect to an application was considered one unique comparison and Damerau-Levenshtein distance was used to calculate the similarity between the two.

Damerau-Levenshtein distance is a method to substitute the minimum distance between two text objects (strings) using four methods which consist of insertion, substitution, deletion of a single character or transposition of two adjacent characters.⁸² The lesser the distance between the two

⁸² Vladimir I. Levenshtein, *Binary Codes Capable of Correcting Deletions, Insertions, and Reversals*, Sov. Phys. Dokl. 707 (Soviet Union 1966).

strings, the higher the similarity between the two. Table 9 provides some illustrative describing how Damerau-Levenshtein distance works in practice.

Table 9: Illustrations Showing Calculation of Damerau-Levenshtein distance

String1	String2	Damerau-Levenshtein distance	Comments
Rita	Sita	1	<ul style="list-style-type: none"> Substitute 'S' from String2 for 'R' in String1
Vishwas	Vikas	3	<ul style="list-style-type: none"> Delete 's' from String1 Delete 'h' from string2 Substitute 'k' from String2 for 'w' in String1
Cat	Act	1	<ul style="list-style-type: none"> Transpose 'Ca' in String1 or 'Ac' in String2

SOURCE: Custom Dataset built using data from the Electronic Register

Thus, Damerau-Levenshtein distance gives a good estimate of similarity between two marks. One shortcoming concerning the usage of Damerau-Levenshtein distance with respect to trademarks is its inability to factor into the phonetic similarity between the two strings. Thus, even though 'Accept' and 'Except' are identical phonetically, the distance between the two strings would be 2.

Damerau-Levenshtein distance was calculated for all the examination reports which cited conflicting marks and averages were calculated. The Damerau-Levenshtein on an average for marks that were 'Accepted' was 15.91 and for those that were 'Objected' was 13.08. The reason the average distance is so high is primarily because of the way the registry stores its data. For example, in the case of a trademark of a company with text 'Hero' written inside the silhouette of a horse, the registry will save the mark's description as 'Hero with a device of Horse' or a mark 'Sita' applied in Devnagri script will be described as 'Sita in Hindi' or 'Sita in Devnagri Script'. Such additions made by the registry inflated the average distance as well as the length of the two text marks in comparison.

There remains one more issue with the average distance calculated above which is the non-consideration of the length of the string in comparison. For example, the Damerau-Levenshtein

distance between ‘Som’ and ‘Somdatt’ will be 4 even though ‘Som’ is an absolute match and substring of ‘Somdatt’. Thus, in comparison where two strings are of unequal length, the Damerau-Levenshtein distance would skew towards the string length of the greater string despite the overall similarity between the two strings. To overcome the same, the author obtained a weighted average, where the Damerau-Levenshtein distance was divided by string length of the greater of the two strings in comparison. This analysis provided us with a weighted distance for accepted marks at 0.16 and the objected marks at 0.08. Now, the weighted averages give a much clearer picture. Unlike earlier, where the difference between the text distance of accepted and objected marks was negligible in weighted means, it is evident that in cases of objected marks, the marks on an average were twice as similar when compared to accepted marks. Thus, even though the Indian Registry has its own share of misses, at a macro level, the Registry has been discharging its duty in the desired manner.

C. Registry’s Financial Situation

It is interesting to note here that the trademark registry is overall an incredibly profitable venture and has more than necessary funds to secure a larger workforce. Building a profitable topline on basis of user fee with a growing number of filings helps prevent Registry from becoming dependent on the prior grantees for their renewals.⁸³

Table 10 below is a compilation of figures of the trademark registry obtained from the Annual Reports. The Registry’s revenues have skyrocketed to a whopping 483 times their revenue at inception, in less than two decades.

Table 10: Year wise revenue, expenditure, and profitability of the Registry

Year	Revenue (Million ₹)	Expenditure (Million ₹)	Profit (Million ₹)
2002-2003	47.50	40.90	6.60
2003-2004	270.60	44.90	225.70
2004-2005	379.40	45.80	333.60
2005-2006	497.50	48.20	449.30
2006-2007	557.90	49.90	508.00

⁸³ Frakes, M.D. and Wasserman, M.F., *The failed promise of user fees: Empirical evidence from the US Patent and Trademark Office*. 11(4) JOURNAL OF EMPIRICAL LEGAL STUDIES 602,636 (2014).

2007-2008	630.00	55.70	574.30
2008-2009	691.50	89.10	602.40
2009-2010	716.00	89.40	626.60
2010-2011	861.50	69.80	791.70
2011-2012	1,035.30	81.00	954.30
2012-2013	1,104.50	89.20	1,015.30
2013-2014	1,225.00	102.90	1,122.10
2014-2015	1,381.30	123.10	1,258.20
2015-2016	1,831.60	180.80	1,650.80
2016-2017	1,923.70	224.20	1,699.50
2017-2018	2,861.10	Figure Not Available	NA
2018-2019	3,412.00	224.20	3,187.80

SOURCE : Annual reports of the Controller General of Patents Designs and Trademarks

The figures given in the Annual Reports suffer from multiple discrepancies. For the year 2014-15, Annual report for the year 2014-2015 provides expenses at ₹123.1 Million whereas the Annual Report for the year 2015-2016 provides the expenses to be ₹178.7 Million.⁸⁴

Similarly, the expenses figure for the year 2018-2019 stands at ₹224.2 Million, which is the exact figure for the period between 2016-2017. These discrepancies are more likely to be an inadvertent typographical error rather than financial irregularity as the accounts are subject to regular governmental audits. Overall, the Registry is profitable and has seen a rise in its top line.

VII. THE CASE AGAINST LUDDITES

Through an analysis of data and procedural aspects of the registration framework, the author has tried to establish two things: first, being that without a change in the existing rules and regulations it will be impossible for Registry ever to be fully compliant with the Madrid protocol.⁸⁵ Second, by implementing automation at key stages, many of the delays that are now part of the system can be

⁸⁴ ANNUAL REPORTS OF THE INDIAN INTELLECTUAL PROPERTY OFFICE (2015-2016)
<http://www.ipindia.nic.in/annual-reports-ipo.htm>.

⁸⁵ Trademark Rules, 2017, r. 42-48 (India),

taken care of making the overall system faster and a step closer to the deadline imposed by Madrid Protocol.

For complete automation (prescribed within this paper) to be achieved, the physical filing would be done away with in its entirety, to begin with, following which more and more processes will need to be automated. An example of this is the intelligent form for filing oppositions and subsequent correspondences that would also verify the essential ingredients of the opposition application. This step alone will reduce the opposition period on an average by as many as 63 days.

Nevertheless, complete eradication of the physical filing system requires that concerns around access and adaptability are acknowledged. While adapting to new systems is always a gradual process, the urgent need for an efficient system and the benefits of automation far outweighs such concerns. Even the Registry is keen to transition from physical filings as is evidenced by the ten per cent waiver of government fee given to the applicants that choose to go for e-filing.⁸⁶

This is further supported by the numbers on e-filing trends as shown below. Digitization is the only way forward. Table 11 below shows the breakup of applications filed with the Registry within the past five years.

Table 11 : Year wise distribution of the trademark filings categorized as per medium of filing

Particulars	2015	2016	2017	2018	2019
e-Filing	54.2 0%	55.9 %8	76.6 5%	86.2 4%	89.5 7%
Branch Office	41.8 7%	40.0 1%	18.6 5%	9.54 %	6.68 %
International Bureau	3.90 %	3.97 %	4.69 %	4.22 %	3.75 %
Not Available	0.03 %	0.04 %	0.00 %	0.00 %	0.00 %

SOURCE: Custom Dataset built using data from the Electronic Register

⁸⁶ FIRST SCHEDULE, FEES PAYABLE, http://www.ipindia.nic.in/writereaddata/Portal/IPOFormUpload/1_11_1/Fees.pdf.

International Bureau is a section of the Indian Trademark Registry that handles the application received under the Madrid protocol. Branch Office filings are the ones which are filed physically and require considerable digitisation as it can be seen that within the past five years the count of these applications has decreased from over 40% to less than 7%. The figure for the physical filings in the year 2020 as of December 07, 2020, stood at 2.83% whereas e-filings constituted 97.16% of all the received applications⁸⁷. The fate of physical filings from these trends is clear, the number of applications being filed through physical applications is declining. The Registry should adapt itself to accelerate the same and at the same time optimise its internal processes for the near future when physical filings will no longer be a thing.

Another interesting observation here is the sharp drop in physical filings in the year 2017. This is due to the fact that the Trademark Rule, 2017 were notified which provided for discounted pricing in case of e-filings. This significantly accelerated the adoption of e-filing.

Physical filings have reduced considerably on their own as more and more people have become accustomed to the benefits of e-filing. The major changes that are now needed are those where the delay is primarily due to the Registry. As discussed earlier, most of these instances are communication-related where the Registry needs to provide intimation to a party based on the occurrence of certain events. For such intimations to be completely automated, the Registry needs to do away with physical intimations (such as via postal mail, etc.) and rely primarily on email as the primary communication mode.

Table 12 provides the figures for the year wise percentage of applications filed with the Registry without accompanying an email. The figure for the year 2020 as on December 07, 2020, was merely 2.48%.

Table 12: Year wise percentage of the applications filed without email

Particulars	2015	2016	2017	2018	2019
% of Applications	17.05%	10.16%	4.90%	3.67%	3.53%

⁸⁷ Custom Dataset

on Without Email					
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SOURCE: Custom Dataset built using data from the Electronic Register

With the steady decline in applications that don't also have accompanying emails, it is apparent that if the Registry decides to adopt email as the primary mode of communication and abandon physical filing altogether, it will not face much resistance. The benefits on the other hand are immense, whether that is faster disposal of applications, reduction in administrative workload for the Registry, or the reduced cost of processing of applications.

Concerns about access issues are largely misplaced considering the fact that registry has a physical presence in only 5 major metropolitan cities making the offline process much more unaffordable and inaccessible to the bulk of the population.⁸⁸ Further, many applications are filed via branch due to force of habit and not due to access issues. Some of the largest public companies of India for instance filed hundreds of physical applications in the year 2019. Zee Entertainment Enterprises Limited filed 271, Ajanta Pharma Limited filed 184, PVR Limited filed 168, Atria Convergence Technologies Limited filed 112, and Reliance Group (Reliance Industries Limited and Reliance Retail Limited) filed 243 applications during 2019 where each of them had the necessary means to file these applications electronically.

If the Registry intends to ensure that the backlog is cleared as soon as possible and future applications are processed within the Madrid Protocol timeline, the Registry must implement these changes.

VIII. THE WAY FORWARD

The author has analysed multiple aspects of the Registry to show that the existing regime will only become compatible with the Madrid Protocol timeline with urgent progressive changes. The suggestions are primarily related to change in the existing regime and the automation of critical components, especially those dealing with communication.

Specifically, the time for filing of opposition needs to be reduced. India allows anyone to file an opposition within four months of an application. This deadline has been increased by one month

⁸⁸ *Contact Us*, INTELLECT. PROP. INDIA, <https://ipindia.gov.in/contact-us-tmr.htm> (last visited Jan. 12, 2023).

compared to what was in 1958.⁸⁹ In comparison to this the United Kingdom has the deadline set at two months,⁹⁰ while the same in the United States is at one month.⁹¹ Indian Registry should try to reduce the timeline as well gradually, at first to three months and with time, reduce the timeline as much as possible.

Similarly, most of the communication that merely requires the Registry to pass on information received from one party to another needs to be automated, and delay needs to be reduced to zero days. The application form should make the filing of email mandatory and make it the primary mode of communication. Physical communication through letters should be done away with entirely. The impact that electronic filing has on efficiency has been appreciated by United States Patent and Trademark Office (USPTO) as well which has made filing of trademark applications and documents electronically through its centralized system.⁹² USPTO provides the rationale for the decision that “*paper submissions hinder efficiency and accuracy and are more costly than electronic submissions because they require manual processing*”.⁹³ Filing of documents through E-mail other than in an exceptional situation have been disallowed. One of the recommendations in this paper of making e-mail mandatory for communication has also been put in place by the USPTO.

At examination stage, an overwhelming number of Registry’s decisions are overturned, and better processes need to be put in place that ensures that Registry’s time is not wasted and fewer examination decisions are appealed leading to better utilisation the Registry’s resources. Specifically, the examiners carrying out the examination of applications need to be provided proper training and access to well-defined guidelines and other resources such that their decisions even can withstand the arguments offered by the applicant against their decision and are reaffirmed by the Registry officials.

The e-filing regime and rising internet usage in India⁹⁴ have given much boost to the filing of trademark applications, and yet, a small number of applications are still filed physically. To accelerate the e-filing regime’s adoption, it needs to be ensured that the process is easy and

⁸⁹ Trade and Merchandise Marks Act, 1958, § 21, No. 43, Acts of Parliament, 1958 (India).

⁹⁰ Trademark Rules, 2008, r. 17(2) (India).

⁹¹ Rule 2.101, Title 37, Code of Federal Regulations Part 2 – Rules of Practice in Trademark Cases.

⁹² Patent and Trademark Office, *Changes to the Trademark Rules of Practice To Mandate Electronic Filing*, FED. REGIST., <https://www.federalregister.gov/documents/2019/12/18/2019-27426/changes-to-the-trademark-rules-of-practice-to-mandate-electronic-filing> (last visited Jan. 12, 2023).

⁹³USPTO RULE MAKES ELECTRONIC FILING MANDATORY FOR TRADEMARK SUBMISSIONS, <<https://www.uspto.gov/trademarks/laws/mandatory-electronic-filing>>

⁹⁴ Sena Gnanon, *The Internet’s impact on trademark applications*, 39 Economic Affairs 216–231 (2019).

accessible. One of the biggest hurdles on this front is the requirement of a Digital Signature Certificate token. Getting a Digital Signature Certificate token is an expensive and cumbersome process. Most business owners and even a lot of lawyers do not have DSCs readily available at their disposal. It would be more appropriate if the Registry allows other digital signatures such as the one based on the unique Indian biometric identity, 'Aadhaar', or the Mobile OTP based authentication as is being used for E-Filing by courts in India, available to all Indian citizens.⁹⁵ USPTO once again in this regard has considerably eased the process for applicants by allowing 's-signatures' which is essentially the applicant typing their full name enclosed between forward flanking slashes or they can create a graphical representation of their handwritten signature using a mouse or stylus, dispensing the need to buy expensive digital signature certificate and making the complete process a lot more accessible.⁹⁶

Once these concerns are taken care of, the Indian Registry would be better equipped to fulfil its major obligations under the Madrid protocol as far as the prescribed timeline for disposal of trademark applications is concerned.

⁹⁵ E-FILING PROCEDURE, <https://delhicourts.nic.in/Forms/2020/mar/eFiling-Procedure.pdf>

⁹⁶ 37 C.F.R. §2.193 & § 1.4(d)(1)–(3).