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FAQ'S ON TRADEMARK

Q.201 What are the benefits of Trademark Assignment?

Ans. Some of the benefits of Trademark Assignment are:

- The trademark assignment enables the owner of the trademark to encash the value of his brand.
- With the help of a trademark assignment, the assignee can obtain the rights of an already established brand.
- If a Trademark is registered but the owner is not able to monetize or move forward the business, he can assign the rights to another person for a good price and earn money out of his trademark, rather than having a Registered Trademark that cannot be monetized upon.
- In case of any dispute, the trademark assignment agreement would enable the assignor or the assignee to establish the legal right.

Q.202 What are the documents required for Assignment of Trademark?

Ans. The following documents must be submitted to the registrar of trademark along with **Form TM-P** (Assignment of Trademark):

- Trademark assignment deed.
- Trademark registration certificate.
- NOC from the assignor.
- Identification documents of the assignor and assignee.

Q.203 Why does a trademark assignment need to be notorized?

Ans. The notarization of the assignment is to the benefit of the assignee. Also, notarising is important so that it is established that there is no possibility of wilful document fraud relating to the assignment. And so the assignment must be notarised on the right stamp duty. Further, the assignor must also submit an affidavit which is notarised mentioning that the trademark is truly theirs.

Q. 204 What are the benefits of Licensing under trademark?

Ans. Licensing under trademark offers several benefits:

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- 1. **Revenue Generation**: The licensor can generate additional income by charging licensing fees or receiving royalties from the licensee.
- 2. **Brand Expansion**: Licensing allows the brand to reach new markets or product categories without the need for direct investment, helping in brand diversification and market presence.
- 3. **Risk Mitigation**: Licensees bear certain business risks associated with the licensed products, reducing the overall risk for the trademark owner.
- 4. **Brand Exposure**: Licensing can increase brand visibility and exposure as the trademark is used in different contexts and markets.
- 5. **Strategic Alliances**: Licensing can facilitate strategic partnerships and alliances, fostering collaborative efforts for mutual benefit.
- 6. **Flexibility**: Trademark licensing offers flexibility for the licensor to adapt the changing market conditions or trends without direct involvement in new ventures.
- 7. **Global Presence**: Licensing enables the trademark owner to extend their brand globally through **partnerships with international licensees**.
- 8. **Customer Loyalty**: The availability of licensed products can enhance customer loyalty and satisfaction by offering a broader range of choices within the brand. It's important for licensors to carefully structure licensing agreements to protect the brand's integrity and maintain control over its use.

Q. 205 Elaborate the need of Trademark Licensing?

Ans Trademark licensing allows businesses to grant permissions for others to use their trademarks under specified conditions. Owners can generate additional revenue streams, enhance brand visibility and enter new markets through licensing agreements. Trademark Licensing serves several purposes:

- Economically beneficial for both the licensor and licensee;
- It helps in expanding business;
- It increase geographical reach;
- It increase the reputation of the goods or services;
- Ownership remains with the TM owner;
- Enhances brand promotion and Marketing.

Q. 206 Who can grant a TM License?

Ans. The TM owner/holder/proprietor of the registered Trademark, (known as the licensor) has the authority to grant the trademark license to another party, (known as licensee). This

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license allows the **licensee** to use the trademark under certain conditions specified in the licensing agreement and mutually agreed consideration be paid by licensee to licensor.

Q. 207 What is Licensing Agreement under Trademark?

Ans. A licensing agreement under trademark is a legal contract between the owner of a trademark (licensor) and another party (licensee) that grants permission for the license to use the trademark under specified terms and conditions. These agreements outline the scope of the license, including the permitted uses of the trademark, duration of the license, quality control measures, and any financial arrangements such as royalties or licensing fees.

Q. 208 How many types of Trademark licensing are there in India?

Ans. In India, various types of licensing arrangements under trademarks can be established, including:

- 1. Exclusive License;
- 2. Non-Exclusive License;
- 3. Sole License;
- 4. Sub-License.

Q. 209 Explain Exclusive Licensing?

Ans. Exclusive Licensing grants exclusive rights to the licensee for the use of the trademark within a specified territory, for particular goods or services. Even the licensor is restricted from using the trademark in the designated manner. The licensor is also restricted to grant further licenses of the same trademark. **However, licensor retains the right to exclusively own the trademark**.

Q. 210 Explain Non-Exclusive Licensing?

Ans In non-exclusive license, the licensee is just one of the users of the Trademark. The licensor retains his right to use and can grant further licenses as well to other parties. Even in this case, exclusive right to own the trademark lies with the licensor only.

Q. 211 Explain Sole Licensing?

Ans. It is similar to an exclusive license, but the licensor retains the right to use the trademark alongside the sole licensee. Both the licensor and the sole licensee are the only parties authorized to use the mark.

Q. 212 Explain Sub-Licensing?

Ans The licensor and the licensee both have the right to use and grant further licenses of the trademark to third parties (**sub-Licensee**). The sub-licensee operates under the terms set by

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the **original licensee.** The Licensor, however is the sole and exclusive owner of the trademark.

Q. 213 Can a trademark licensee sub-license the rights granted to them?

Ans Whether a licensee can sublicense the rights granted to them depends on the terms of the License agreement. It is important to review the agreement to determine if sublicensing is allowed and under what conditions.

Q. 214 What are the royalties associated with trademark licensing in India?

Ans. The royalties associated with trademark licensing depends on the specific agreement. These financial aspects are typically negotiated between the licensor and the licensee based on factors such as the scope of the License, exclusivity, market size, and the value of the trademark.

Q. 215 How long does a Trademark License deed typically last in India?

Ans. The duration or term of a Trademark License deed is determined by the parties involved and is specified in the agreement. It can vary from a few years to an indefinite period, depending on their mutual agreement.

Q. 216 What are the legal remedies available if a trademark licensee violates the terms of the License agreement?

Ans. In case of a violation, the licensor as well as the licensee can pursue legal remedies such as terminating the License agreement, seeking damages for breach of contract, or obtaining injunctive relief to prevent further unauthorized use of the trademark. The specific legal remedies will depend on the circumstances and the provisions outlined in the agreement.

Q. 217 Is the granting of trademark license considered as sale?

Ans. The granting of the TM License is not considered as sale. Licensing only transfers the **right to use** the trademark while the ownership of the trademark rests with the proprietor himself. The rights granted are limited rights with respect to time and can range from right to uses the trademark, sell the products etc. The TM License can be an exclusive or non – exclusive one.

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Q. 218 What is the procedure of registration of Trademark License?

Ans.

Step 1 When it is proposed that a person (Licensee) should be registered as a registered user of a trade mark, the registered proprietor (owner of trademark) and the proposed registered user shall jointly apply in writing to the Registrar in **Form TM-U**, and every such application shall be accompanied by—

- a. the agreement in writing or a duly authenticated copy thereof, entered into between the registered proprietor and the proposed registered user with respect to the permitted use of the trade mark;
- b. an affidavit made by the registered proprietor or by some person authorised to the satisfaction of the Registrar to act on his behalf,
 - i. Giving particulars of relationship between the registered proprietor and the proposed registered user including showing degree of control by the proprietor over the permitted use over the trademark.
 - ii. stating the goods or services in respect of which registration is proposed;
 - iii. stating the conditions or restrictions, if any, proposed with respect to the characteristics of the goods or services, to the mode or place of permitted use, or to any other matter;
 - iv. stating whether the permitted use is to be for a period or without limit of period, and, if for a period, the duration thereof; and
- c. such further documents or other evidence as may be required by the Registrar.

Step 2 When the above requirements has been complied with, the Registrar, if satisfied with the submissions shall register the proposed registered user in respect of the goods or services.

Step 3 The Registrar will publish it in the Journal and send intimation to both the trademark owner and the other registered users of the same trademark. In case, the Registrar is not satisfied with the contents of the application, a hearing can be appointed where the parties can together correct the deficiencies.

Q.219 What is the timeframe within which an application for the registration of a trademark license needs to be submitted?

Ans. The application for registration of trademark license shall be made <u>within 6 months</u> <u>from the date of formation of the agreement between the parties.</u> The Trademark Office

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(TMO) will then register the user if it finds everything satisfactory. The user will then become a "Registered User" of the trademark.

Q.220 Does the Licensor lose its right to the registered trademark once the Licensor grants the right to use its registered trademark to the Licensee under the Licensing Agreement?

Ans No. the Licensor does not lose its exclusive right as the owner to the registered trademark when the Licensor enters into a Licensing Agreement as the Licensor only grants the Licensee the right to use its registered trademark, not transferring its exclusive trademark right to the Licensee under a Licensing Agreement.

Q. 221 Difference between licensing and assignment?

Ans. The term assignment means to transfer all the rights and title of the said property to the other person. Assignment involves a <u>absolute transfer</u> and does not allow the holder to keep back anything. The person assigning is called the Assignor and the person to whom the assignment is done is called the Assignee.

The word License means to authorize or permit someone to do something. It contains a permission which may be limited by number of uses, or territory where to use, or purpose for which it is to be used, or even the period for which it may be used.

For both licensing and assignment, there is a need to have an agreement between the parties. The Licensing Agreement is between the licensor and licensee while the Assignment deed is between the assignor and the assignee.

Q.222 How many types of Trademark Assignment are here?

Ans. There are 4 types of assignments:

- 1. Complete Assignment;
- 2. Partial Assignment;
- 3. Assignment with Goodwill of Business;
- 4. Assignment without the Goodwill of Business;

Q.223 Explain Complete Assignment of Trademark?

Ans In this case, all the rights that are vested in the registered trademark are assigned to a third party. The assignee then enjoys all the rights that the original trademark owner had.

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The assignee would then be the sole owner of the trademark having rights to assign, trade, and market it and also to stop others from using it without authorisation.

Q. 224 Explain Partial Assignment?

Ans. The trademark proprietor assigns the trademark to another person with respect to only specific services or goods. The transfer of ownership in the trademark is restricted to specific services or products.

Q. 225 Explain Assignment with goodwill of business?

Ans. When an assignment is made with goodwill, the rights and value associated with the trademark are given for using the mark for the products and services already being sold by the assignor.

Q.226 Explain Assignment without goodwill of business?

Ans. The trademark proprietor assigns to the assignee rights and entitlements in a trademark with respect to the products or services that are not in use. The assignor restricts the transfer of the rights in the trademark in the case of assignment without goodwill. The assignor assigns with the condition that the assignee is not entitled to use the trademark relating to the goods or services already in use by the assignor.

Q.227 What is Transmission of Trademark?

Ans. The **transmission of a trademark** typically refers to the transfer of ownership rights in situations where the **original owner passes away** or there is a change in the ownership due to legal proceedings, inheritance or other circumstances. Transmission may occur through the **distribution of assets in a will**, the settlement of an estate or a court order.

Q.228 What is the difference between trademark assignment and trademark transmission?

Ans. In general, the term Assignment and Transmission are used interchangeably, but section 2 of Trademark Act clearly distinguish between the two.

The **assignment of a trademark** involves the complete transfer of ownership from one party to another. In this case, the assignee (the party receiving the trademark rights) gets full control and responsibility over the trademark, including the right to use it exclusively for

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their own commercial purposes. The assignor (the party transferring the trademark rights) relinquishes all rights and interests in the trademark.

On the other hand, the **transmission of a trademark** typically refers to the transfer of ownership rights in situations where the **original owner passes away** or there is a change in the ownership due to legal proceedings, inheritance or other circumstances. Transmission may occur through the **distribution of assets in a will**, the settlement of an estate or a court order.

Q.229 Which section of Trademark Act govern the Assignment and Transmission of Registered Trademark?

Ans. Section 38 of Trademark Act, 1999 govern the Assignment and Transmission of Registered Trademark. It states that a registered trademark can be assigned and transmitted, with or without the goodwill of the business associated with it. This can apply to all the goods or services covered by the registered trademark or only to a specific subset of goods or services.

Q. 230 Which section of Trademark Act govern the Assignment and Transmission of Unregistered Trademark?

Ans. Section 39 of the Trademark Act, 1999 governs the Assignment and Transmission of Unregistered Trademark. It states that an unregistered trademark can be assigned and transmitted, with or without the goodwill of the business associated with it.

Q. 231 What happened to a trademark when the owner of the trademark dies?

Ans When a trademark owner dies, the fate of the trademark depends on various factors such as estate planning, succession and applicable laws.

If a trademark owner dies, the rights to the trademark are transmitted to the heirs or beneficiaries according to the owner's will or under the law of intestacy if there is no will. The heirs or executors must then follow legal procedures to record the transmission with the trademark office to ensure continued protection and enforceability of the trademark.

Q. 232 What is the meaning of well Known Trademark under Trademark Act, 1999?

Ans. Section 2(1) (zg) defines well known trademark as:

A **well-known trademark** in relation to any goods or services, means a mark which has become so to the substantial segment of the public which uses such goods or receives such

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services that the use of such mark in relation to the other goods or services would be likely to be taken as indicating a connection in the course of trade or rendering of services between those goods or services and a person using the mark in relation to the first-mentioned goods or services.

Q.233 When did Well known Trademark introduced?

Ans. The recognition and protection of well-known trademarks in India are governed by the Trademark Rules, 2017.

It enables the Registrar to declare a specific brand to be "well known". In accordance with the new regulation, a trademark owner may submit a **form TM-M** application with a request to the Registrar for the designation of the mark as "well-known".

The rule aim to strengthen the protection of well-known trademarks and prevent their unauthorized use. Popular trademarks are acknowledged in India based on their reputation on a national, international, and cross-border level.

Q. 234 Which provision of Trademark Act, 1999 govern "Well Known Trademarks"?

Ans. Section 11(6) of the act specifically lays down the various factors to be taken into account by the registrar while determining whether a trademark is well known trademark:

- i. the knowledge or recognition of that trade mark in the relevant section of the public including knowledge in India obtained as a result of promotion of the trade mark;
- ii. the duration, extent and geographical area of any use of that trade mark;
- iii. the duration, extent and geographical area of any promotion of the trade mark, including advertising or publicity and presentation, at fairs or exhibition of the goods or services to which the trade mark applies;
- iv. the duration and geographical area of any registration of or any application for registration of that trade mark under this Act to the extent that they reflect the use or recognition of the trade mark;
- v. the record of successful enforcement of the rights in that trade mark, in particular the extent to which the trade mark has been recognised as a well-known trade mark by any court or Registrar under that record.

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Q. 235 What are the conditions which Registrar of Trademark shall consider for determining a "Well known Trademark"?

Ans. Section 11(9) provides that the registrar shall consider the following conditions for determining a "Well known Trademark"

- i. that the trade mark has been used in India;
- ii. that the trade mark has been registered;
- iii. that the application for registration of the trade mark has been filed in India;
- iv. that the trade mark
 - a) is well-known in; or
 - b) has been registered in; or
 - c) in respect of which an application for registration has been filed in, any jurisdiction other than India, or
- v. that the trade mark is **well-known to the public at large in India**.

Q.236 What is the cost for filing well known trademark application in India?

Ans. As per Rule 124 of Trademark Rules, 2017 any person may file a request for determination of a trademark as well-known along with an official fee of **INR 1,00,000**. This fee is for one mark only.

Q.237 In which form application for determination of trademark as a "Well Known" filed?

Ans. Any person may, on an application in Form TM-M and after payment of fee as mentioned in First schedule (i.e. INR 1,00,000), request the registrar for determination of a trademark as well-known. Such request shall be accompanied by a statement of case along with all the evidences and documents relied by the applicant in support of his claim.

Q. 238 How much time did the registrar take for determining a well known trademark?

Ans. Before determining a trademark as well-known, the registrar may invite objections from the general public to be filed within 30 days from the date of invitation of such objection.

Q. 239 Is the well-known trademark also published in TM Journal?

Ans When trademark registry determined the trademark as well-known, the mark shall be published in the Trademark Journal and included in the list of well-known trademarks maintained by the Registrar.

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Q.240 Can registrar remove the name from the list of "Well known Trademarks"?

Ans. The Registrar may, at any time, if it is found that a trademark has been erroneously or inadvertently included or is no longer justified to be in the list of well-known trademarks, remove the same from the list after providing due opportunity of hearing to the concerned party.

Q. 241 What are the remedies available to the applicant if the registrar of trademark removes the name from the list of "Well known Trademarks"?

Ans. The applicant can make appeal to the Intellectual Property Appellate Board from any decision of the Registrar of Trademark. The appeal shall be made within 3 months from the date of such decision (when registrar remove your name from the list of "Well known Trademarks".

Q.242 How the trademark act, 1999 provides protection to "Well known Trademarks"?

Ans The Trademark Act, 1999 provides protection to well-known trademarks at two levels:

- Against the registration of any similar mark
- Action against any misuse of well-known trademark

Q. 243 Who is Trademark Agent?

Ans. A trademark agent is a professional authorized to represent individuals or businesses in matters related to trademarks. A Trademark agent specializes in trademark matters and supposed to have extensive knowledge about trademarks. They assist in the registration protection and management of trademarks ensuring compliance with relevant laws and regulations. . A Trademark Agent deals with all the possible legal aspects of a brand, from its registration to appearing in court cases relating to the trademark.

Q. 244 Are trademark agents needs to be registered?

Ans. Yes, Trademark agents are registered with Registrar of Trademarks. The Registrar of Trademarks shall maintain a Register of trademark agents wherein the name, address of the place of residence, address of principal place of business, the nationality, qualification and date of registration of every registered trademark agents is entered.

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Q. 245 What is the qualification criteria for Trademark Agents?

Ans. A person shall be qualified to be registered as trademark agent if he-

- is a citizen of India;
- is not less than **21 years** of age;
- is a **graduate** of any university in India, or possesses an equivalent qualification and has **passed the examination** prescribed in rule 148 (i.e. exam of Trademark Laws and Practices); or

is an **Advocate** within the meaning of the Advocate Act, 1961; or is a **member of the Institute of Company Secretaries of India**;

• is considered by the Registrar as a fit and proper person to be registered as a trademark agent.

Q. 246 Who are debarred from taking registration as Trademark Agent?

Ans. A person shall not be eligible for registration as a trademark agent if he-

- has been adjudged by a competent court to be of unsound mind;
- is an undischarged insolvent;
- being a discharged insolvent has not obtained from the court or the appropriate forum as the case may, a certificate to the effect that his insolvency was caused by misfortune without any misconduct on his part;
- has been convicted by a competent court or the appropriate forum as the case may be;
- being a legal practitioner has been guilty of professional misconduct by any High Court in India;
- being a registered trademarks agent has been held guilty of professional misconduct by the Registrar.

Q. 247 In which Form application for registration as a trademark agent be filed?

Ans. Every person desiring to be registered as a trademark agent shall make an application in Form TM-G with fees of Rs 5000 (for physical filing) or Rs. 4500 (for online filing). The applicant shall furnish such further information bearing on his application as may be required of him at any time by the Registrar.

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Q. 248 When will certificate of Registration be granted to the candidate as a Trademark Agent?

Ans. If the registrar considers that the applicant is eligible and qualified for registration as a trademark agent, he shall enrol the candidate as a registered trademark agent & shall issue a certificate in **Form RG-4**.

Q.249 Can registrar remove the name of trademark agent from the register of Trademark? **Ans.** The registrar shall remove the name of Trademark agent from the register of trademark agents in the following situations:

- who has not paid the annual fee on the expiry of three months from the date on which it becomes due.
- who is not a fit and proper person as declared by registrar of trademark
- whose name has been entered in the register by an error or on account of misrepresentation or suppression of material facts.

Q.250 After removal from register of trademark agent, Can name be restored again?

Ans. The registrar may, on an application made in **Form TM-G** with fee of **Rs 5000 (for offline filing)** or **Rs 4500 (for online filing)**, within 3 years from the date of removal of the name of the person from the register of trademarks agent, restore his name to the register of Trademark Agents.

The restoration of the name to the register of trademark agent shall be notified in the Journal and shall be communicated to the person concerned.

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