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India and Global IPR Treaties

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Table of Contents

Executive Summary.....	3
Introduction.....	4
1. Strasbourg Agreement Concerning the International Patent Classification 1971.....	4
2. Hague Agreement Concerning the International Registration of Industrial Designs.....	5
3. Lisbon System for International Protection of Geographical Indications.....	7
4. Design Law Treaty.....	8
Conclusion.....	9

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India and Global IPR Treaties

- Sanjeev Sanyal and Apurv Kumar Mishra¹

Executive Summary

To become an international player in the knowledge economy, India needs to take global IPR treaties more seriously as these agreements create the framework for the country's R&D ecosystem to align with global best practices and accurately benchmark our performance with international peers. In this EAC-PM Working Paper, we explore 4 such international agreements and look at the pros and cons of each of them. These are the Strasbourg Agreement Concerning the International Patent Classification 1971, Geneva Act of the Hague Agreement on Industrial Designs 1999, Geneva Act of the Lisbon Agreement on Geographical Indications 2015 and the Design Law Treaty 2024.

In this paper, we not just looked at the issues from first principles but have also paid special attention to China's engagement with international IPR treaties because it is a good case study on how to navigate the international IPR regime and has useful lessons for India. A brief summary of our suggestions is provided below:

- The Strasbourg Agreement on patents simply entails an obligation on the national patent office to label patent applications as per the international IPC system of classifying inventions. Since India follows the IPC system anyway, signing the treaty does not have any obvious downside.
- The Geneva Act of the Hague Agreement on industrial designs creates a simplified and time-bound process for international registration of designs in multiple countries through a single application. India must sign the treaty with adequate safeguards to ensure it gets sufficient time to build its internal capacity to process international application.
- The Design Law Treaty which was just negotiated and signed in November 2024 at Riyadh, also makes procedural improvements in filing and recording changes in design licenses.
- The Lisbon System on GIs again creates a simplified and time-bound process for international registration of GIs. However, it requires greater stakeholder consultation since it will entail substantive changes in the GI Act 1999 and India must weigh the domestic sensitivities and benefits for stakeholders before signing up for the treaty.

India must shed its traditional reticence to participate in international best practices that are critical to making India the center of the global knowledge economy. For far too long, India's policies have been tuned to be defensive in benchmarking ourselves to global standards. This is ultimately counter-productive since we ultimately accept those foreign innovations anyway. We need to reimagine ourselves as the hub of innovation and switch to a system where our innovators can play on the world stage.

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Introduction

To study India's engagement with international IPR treaties and their impact on our domestic innovation ecosystem, it is important to begin by first looking at our national experience with the IPR treaties we have signed so far. Historically, India has been more proactive in signing international treaties on protecting artistic and literary works rather than scientific inventions. The two foundational international agreements on IPR that are administered by WIPO are Berne Convention for the Protection of Literary and Artistic Works 1886 ("Berne Convention") and the Paris Convention for the Protection of Industrial Property 1883 ("Paris Convention").

While India has been a signatory to the Berne Convention pre-independence since 1928², we only signed the Paris Convention in 1998³. China by contrast, signed the Paris Convention in 1985 and the Berne Convention only in 1992. In other words, unlike India, China has been more focussed on technology IPRs rather than artistic IPRs. India's experience suggests that signing and ratifying international IPR agreements has led to an improvement of our domestic IPR regime. For example, India's accession to the TRIPS regime in 1995 under the WTO framework nudged us to sign the Patent Cooperation Treaty and update the Patents Act which was TRIPS-compliant but also protected our strategic interests. The new Patents Act ensured that we become the pharmacy to the developing world and is now the gold standard for developing countries around the world.

Similarly, acceding to the Madrid System for International Registration of Trademarks in 2013 created the incentive to introduce the new Trademark Rules in 2017 which completely overhauled the trademark system in India so that the time period for registration of trademarks has come down significantly. The office is completely digital and even the hearings are online. In fact, practitioners today note that physical filing is more expensive than online filing. So far, the experience has been good while we continue to upgrade our capacities to process international applications.

In light of these experiences, India must consider engaging with other IPR treaties while keeping in mind that each of them will entail differing levels of groundwork from our IPR institutions and amendments to the existing law for India to be able to benefit from its provisions. The larger point we make in the paper is about the need for the country to change from a defensive to an offensive posture on opening our systems to international best practises, while being mindful of practical constraints in implementation.

1. Strasbourg Agreement Concerning the International Patent Classification 1971

The Strasbourg Agreement Concerning the International Patent Classification 1971 ("Strasbourg Agreement") establishes the International Patent Classification (IPC) system that divides inventions into eight categories with approximately 80,000 classification codes. Each group is represented by a symbol consisting of Arabic numerals and the letters of the Latin alphabet⁴.

² https://www.wipo.int/wipolex/en/treaties/ShowResults?search_what=C&treaty_id=15

³ https://www.wipo.int/pressroom/en/prdocs/1998/wipo_upd_1998_32.html

⁴ <https://www.dsir.gov.in/volume-20-issue-2-june-2001-r-u-internet-international-patent-classification>

The treaty was signed in Strasbourg (France) in 1971 and amended in September 1979. There are currently 65 contracting parties to the Strasbourg Agreement⁵ including China. To become a party to the Strasbourg Agreement, a State must first accede to the Paris Convention. Since WIPO administers this agreement, instruments of accession and ratification must be deposited with the Director General of WIPO.

Of the four agreements discussed in this Working Paper, the Strasbourg Agreement on Patents is purely procedural in nature with no obvious downside. It entails on the patent office of signatory countries an obligation to label each application as per the IPC system so that applications and inventions from all member countries are correctly identified with the appropriate area of technology they pertain to. As a result, the 2 million patent documents issued every year (both published patent applications and granted patents) are assigned a unique alpha-numeric code as per the IPC.

Prior art search is a systematic review of existing literature and information around the world to determine whether the invention meets the requirement of novelty and non-obviousness before being granted a patent. This ensures that prior art searches are streamlined across countries so that when patent granting authorities, potential applicants and others looking for commercial applications of patents conduct a prior art search, all relevant patent documents are displayed⁶. Given this utility, patent offices in over a hundred countries use the IPC⁷, including India which follows the IPC classification system in-principle and therefore substantially complies with the requirements of the Strasbourg Agreement. Proper use of the IPC classification upon ratification will ensure that patents and applications filed in India are readily shown as part of the prior art search for the specific technology thereby helping patent offices and potential inventors around the world.

With an exponential growth in the number of patent applications filed and granted in India (increasingly by domestic entities), IPC classification helps benchmark standards of Indian innovation compared to other countries in a particular sector and ensure India's contribution to global R&D is not under-represented. Indian innovators looking to license their innovations outside India or find interested parties for tech transfer will also understand the landscape for their product by looking at the IPC classification. ***Our recommendation is that India should sign and ratify the Strasbourg Agreement since it anyway complies with its provisions but is unable to participate as a member to the treaty and is not able to utilize the full benefit at present.***

2. Hague Agreement Concerning the International Registration of Industrial Designs

Industrial design is a specific IPR which protects the aesthetic or outward appearance of a product such as its unique shape, pattern and color combinations. Some examples of industrial

⁵ https://www.wipo.int/wipolex/en/treaties/ShowResults?search_what=C&treaty_id=11

⁶ <https://gyansanchay.csjmu.ac.in/wp-content/uploads/2022/08/Summary-of-the-Strasbourg-Agreement-Concerning-the-International-Patent-Classification-1971.pdf>

⁷ <https://aaaipright.com/background-on-the-strasbourg-agreement-concerning-the-international-classification-of-patents-1971/>

design include the unique shape of an iPhone, shape of a Coca Cola bottle and the outward appearance of a Volkswagen Beetle.

The Hague Agreement Concerning the International Registration of Industrial Designs (“Hague Agreement”) constitutes two separate treaties: The Geneva Act of 1999 and The Hague Act of 1960. The 1999 and the 1960 Acts of the Hague Agreement are autonomous and totally independent of each other. Both Acts consist of a fully fledged international treaty, so that a State may decide to become a party to only one or to both Acts⁸. The Hague Act of 1960 has 34 contracting parties⁹ while the Geneva Act of 1999 has 74 members¹⁰. China did not accede to the 1960 Act but is a signatory to the 1999 Act since 2022.

The Hague Agreement creates a simplified and time-bound process for the international registration of industrial designs in multiple countries through a single application filed with WIPO. The Hague Agreement also simplifies the management of an industrial design registration, since it is possible to record subsequent changes and to renew the international registration through a single procedural step in the International Register with the WIPO¹¹. An international application does not require any prior national application or registration. An industrial design can therefore be protected for the first time at the international level through the Hague Agreement¹².

The Hague Agreement on Industrial Designs will bring India in alignment with international best practices followed by most mature economies and simplify the process of registering the Designs in multiple countries through a single application. This is faster, cheaper and simpler than filing applications individually in each country where you need different documents, in different languages and pay different fees to register designs. Similarly post-grant management of registered designs like maintenance and renewal fees, updates on assignees and licensees will also be streamlined with a single application. These procedural improvements will greatly reduce the administrative burden on both the IPR authorities protecting designs and the applicants who will be able to choose countries where they would like to protect their design after obtaining a Certificate of International Registration.

It is important to note that the Hague Agreement ensures that the process of filing a design application in a member country is simplified but does not check for novelty which is left at a member-state level to examine and grant an IPR. In other words, “Hague system is merely an agreement for international procedure. Any substantive aspect of the protection is entirely a matter for the domestic legislation of each member country.”¹³ In India, the registration and protection of industrial designs is administered by the Designs Act 2000 and corresponding Designs Rules 2001.

⁸ https://www.wipo.int/edocs/mdocs/mdocs/en/wipo_rs_ip_be_15/wipo_rs_ip_be_15_hague.pdf

⁹ https://www.wipo.int/wipolex/en/treaties/ShowResults?search_what=A&act_id=3

¹⁰ https://www.wipo.int/wipolex/en/treaties/ShowResults?search_what=A&act_id=7

¹¹ https://www.wipo.int/treaties/en/registration/hague/summary_hague.html

¹² Supra note 7

¹³ https://www.wipo.int/edocs/pubdocs/en/designs/911/wipo_pub_911.pdf

However, the Hague Agreement also has substantive elements and acceding to them will require amendments to our domestic legislation. Complying with the provisions of Hague Agreement requires amendments to our Designs Act to permit single application for multiple designs in one class, deferment of publication upto 30 months (under Indian law currently, there is no provision for delayed publication after design is registered) and division of application for separate claims. Further, India does not recognise the concept of deemed registration whereas the Hague Agreement provides that if a country has not decided on an application within 6 months of its publication by WIPO, the design is deemed to have been approved. Finally, India will also need to introduce enabling provisions in the Designs Act for international registrations and update the IT infrastructure so that international applications can be processed within the timelines.

We recommend that India sign the Hague Agreement with adequate safeguards to ensure that our systems are not overwhelmed and there is enough internal capacity to process the international applications in a timely manner. This may include carving out exceptions against single application for multiple designs and deemed registration.

3. Lisbon System for International Protection of Geographical Indications

Geographical Indication is a distinctive mark on a product which has a precise geographical origin and has qualities associated with it because of the natural and human factors uniquely available in that geographical area. Some examples of GIs are Darjeeling tea, Basmati rice and Champagne sparkling wine. Like the Hague Agreement, the Lisbon System comprises two treaties - the Lisbon Agreement for the Protection of Appellations of Origin (AOs) and their International Registration 1958 and its updated version, the Geneva Act of the Lisbon Agreement 2015 which extended the protections to Geographical Indications (GIs). The Geneva Act has 35 contracting parties including the European Union and African Intellectual Property Organization which has 17 member countries.

Like the Hague Agreement, the Lisbon System protects AOs and GIs in foreign jurisdictions by simplifying the process of registration in multiple countries through a single application with WIPO instead of individual application in each country with its own fees, procedures, documentation and language requirements. These procedural improvements to create centralized management of GI rights will greatly reduce the administrative burden on both the IPR authorities protecting GIs and the applicants who will be able to choose countries where they would like to protect their design after obtaining a certificate of international registration. The Lisbon System also ensures that GIs in all member countries are protected indefinitely, cannot become generic and no other competitor can use the GI name on any product in its product class¹⁴.

¹⁴<https://www.marshacadoganip.com/what-the-lisbon-agreement-means-for-geographical-indications-protection/>

In India, GIs are protected under the Geographical Indications of Goods (Registration and Protection) Act, 1999. The Lisbon Agreement on GIs will entail even bigger changes in our domestic law and procedures with fewer flexibilities than the Hague Agreement. The Lisbon Agreement demands indefinite protection for GIs with no provision for renewal. In India presently, while the protection is for an indefinite period it is subject to a 10-year renewal period. The Agreement also mandates a higher standard of protection to all goods to prevent any imitation or usurpation, currently only extended to wines and spirits under Indian law. This might create issues for our domestic industry especially in the dairy sector.

Further, the Lisbon Agreement works on the principle of deemed registration whereby if refusal is not communicated within 12 months by the national IPR office, the GI is deemed to be registered. Therefore India will have to decide applications within 12 months which is very challenging with our present system where it typically takes much longer to decide an application despite all the advantages of familiarity with a product, language of application and applicants filing it.

Most importantly, GI applications are still filed physically in India. Until we don't transition to an online system, it will be impossible for India to meet the demands of the Lisbon Agreement within the prescribed timelines. For example, it is highly unlikely that India will be able to process the 1100+ applications that have been registered under the Lisbon Agreement that have to be evaluated within 2 years. This is not an argument for maintaining the status quo and not taking our system online but to highlight the implementation issues India will face in case it decides to become a party to the Lisbon system.

Considering that community rights are at stake for GIs, India needs to examine the second order implications of the impositions of the Lisbon Agreement before signing it. China, with over 2500 GI products, has not signed the Lisbon Agreement yet and instead prefers to protect its GIs internationally through bilateral agreements (with EU, for example) and within the TRIPS framework.

We recommend that India needs to properly weigh the sensitivities and implementation challenges with the possible benefits, if at all India plans to sign the Geneva Act of the Lisbon Agreement 2015.

4. Design Law Treaty

The Design Law Treaty (DLT) that was negotiated in Riyadh in November 2024 and signed by India is again focussed on making procedural improvements to cut down the red tape for filing of industrial design applications in India and registering their assignment/license with the Designs Office.

The treaty seeks to make the procedures related to filings and recording changes in design licenses simple, predictable and affordable, which will benefit both foreign and domestic innovators. Any changes required in the design license upon assignment to another entity will

also be streamlined through a single application and submitting a limited number of documents as per international best practices to the IPR office. By way of illustration, if there is a change of ownership, a consolidated application with one fee and one application for multiple designs may be accepted. Furthermore, only a limited number of documents like the assignment deed may be required in case of transfer of title in a registered design.

There were two substantial issues in the provisions of the DLT on which India needed to take a considered view as far as the treaty was concerned. Beyond these two issues that required some deliberation, there was no visible downside to acceding to the DLT and accordingly India has signed the treaty after negotiations in Riyadh in November 2024. The two issues were as follows:

- a. *Should we allow a grace period for registering a design after its publication:*
Under Indian law (Designs Act 2000), only unpublished designs are eligible for protection because it ensures the novelty of the design. The DLT provides for a grace period of upto 12 months after the first publication of a design for it to be registered and protected under domestic law. India had to decide what, if any, grace period should be provided to applicants after publication of their design. China, for example, provides a grace period of 6 months after the first publication to register a design.

- b. *Should the option of deferred publication be granted to applicants in India:*
Under Section 7 of the Designs Act 2000, all designs which are granted registration are immediately published by the Designs Office to ensure that subsequent innovators are aware about prior designs and cannot claim ignorance of its existence when there is a question of infringement. Deferred publication helps companies that have planned an entire product line (consider the series of iPhones or car models) over several years. Since designs are only protected for a limited period of 15 years, allowing for deferred publication allows applicants to choose the term of protection they seek for a product they plan to launch in future. Under the DLT, states must guarantee delayed publication for a minimum period of 6 months from the date of filing. China allows for deferred examination of design applications for upto 3 years.

Conclusion

This EAC-PM Working Paper looks at the pros and cons of 4 major IPR agreements administered by WIPO which relate to streamlining the procedures for filing, registering and managing IPRs in foreign jurisdictions. In summary, on recommendations on the four agreements are as follows:

S.no	Agreement	Should India Sign?	Has China Signed?
1	Strasbourg Agreement on Patents	Yes	Yes

2	Hague Agreement on Industrial Designs	Yes, with safeguards	Yes
3	Geneva Act of Lisbon Agreement on GIs	No	No
4	Design Law Treaty	Yes	Yes

Of the four agreements, the Strasbourg Agreement on patents will entail no change in our domestic law while the two treaties on industrial designs (Hague Agreement and Design Law Treaty) will require amendments to the provisions of Designs Act 2000 that deal with procedural elements. The Lisbon System on GIs requires greater stakeholder consultation since it will entail substantive changes in the GI Act 1999.

Since independence, our IPR system has been defensive because we started with the assumption that Indian innovators cannot compete with international counterparts. This is no longer the case with an unprecedented rise in domestic filings of IPR and even MNCs generating IPRs in India with their global capability centers. Therefore, we need to take an offensive stance to IPR today as Indian entities are as likely to generate these IPRs with tremendous economic potential in the global markets.

All the four agreements will require India to enact enabling provisions for international applications and check for the system-readiness for e-processing of applications, including deploying additional manpower to meet the timelines. In the short term, the major beneficiaries will be foreign applicants but given the rising number of domestic IPR filings over the last few years and India's aspiration to emerge as the manufacturing and R&D hub of the world, signing these agreements and aligning with the international best practises will send the right signals to domestic and foreign entrepreneurs about India's commitment as a protector of IPR and showcasing itself as an IPR-savvy destination.

We need to move away from the fear that these changes will only benefit foreign applicants given the rising number of domestic IPR filings over the last few years. If India wants to be a major R&D hub and a place for cutting edge manufacturing and IP generation, we need to move away from a defensive to an offensive posture. Instead of defending domestic markets, our focus must be on laying the groundwork for Indian innovators to capture global markets.