9th SESSION OF THE WIPO WORKING GROUP ON THE LEGAL DEVELOPMENT OF THE MADRID SYSTEM FOR THE INTERNATIONAL REGISTRATION OF MARKS FROM 4 TO 8 JULY 2011, GENEVA

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ECTA, represented by Benjamin Gevers, Member of the ECTA Internet Committee, attended the 9th session of the WIPO Working Group on the legal development of the Madrid system for the international registration of marks from 4 to 8 July 2011 in Geneva.

The following documents were part of the meeting:

- Draft agenda: MM/LD/WG/9/1 PROV.3
- Information concerning ceasing of effect and transformation: MM/LD/WG/9/3
- Information relating to the review of the application of Article 9sexies(1)(b) of the Protocol relating to the Madrid Agreement concerning the international registration of marks: MM/LD/WG/9/5 and MM/LD/WG/9/5 REV.
- Division of the international registration: MM/LD/WG/9/2
- Proposals for the Simplification of the Madrid System: MM/LD/WG/9/4

The Summary of the Chair can be found HERE.

1. **Ceasing of effect and transformation: Document MM/LD/WG/9/3**

The Working Group on the legal development of the Madrid System for the international registration of marks (hereinafter referred to as “the Working Group”) concluded its 8th meeting in July 2010 with a request that the Secretariat prepared a document compiling information concerning notifications of ceasing of effect and transformations.

Pursuant to Article 6(3) of the Madrid Agreement concerning the international registration of marks or Article 6(3) of the Protocol relating to the Madrid Agreement concerning the international registration of marks (hereinafter referred to, respectively, as “the Madrid Agreement” and “the Protocol”), the protection resulting from an international registration may no longer be invoked, in whole or in part, as a result of the total or partial ceasing of effect of the basic mark – upon which the international registration is dependent for a period of five years from the date of such registration – the Office of origin is required to notify the International Bureau, which would then proceed to cancel the international registration, to the extent requested in the notification.
The information maintained by the International Bureau concerning notifications under Rule 22 of the common regulations does not determine the extent to which the cancellations of the international registrations in question are the result of a mere ceasing of effect, (i.e., as a result of *ex officio* refusal, limitation, abandonment or withdrawal of the basic mark), or, in fact, the result of what might be perceived as an “attack”, in the sense of an opposition or other third party action. As a result, the International Bureau does not have any information concerning the real impact the current mechanism of central attack has in the Madrid system.

It is also noted that information concerning transformations, under Article 9quinquies of the Protocol, which allows for the conversion of international registrations into national or regional applications by the designated contracting parties, following the cancellation of an international registration after the ceasing of effect of a basic mark, is not reported to the International Bureau by the concerned Offices.

It is in the aforementioned context that the Working Group decided to undertake this probing exercise. The procedure for the collection of information concerning notifications of ceasing of effect and transformation

During the period of the exercise, 24 Offices which had agreed to furnish the requested information to the International Bureau, were asked to conduct an enquiry in order to ascertain the underlying grounds for a notification of a ceasing of effect.

The participating Offices reported to have sent, during the period of the exercise, 1,240 notifications of ceasing of effect; however, it is to be noted that these Offices reported that only 215 of those notifications appeared to have resulted from central attack. During the same period, these Offices were the Office of origin in 14,104 international applications. Finally, the participating Offices reported 96 transformations. A summary of the key findings is provided in the document (see Table I, one has to be careful in the reading of the document as the Office of Slovakia reported a wrong number of notifications of ceasing of effect).

The Delegation of Norway also proposed that the International Bureau undertake a study on the consequences of freezing the principle of dependence of the international registration.

The Working Group was invited to:
- consider the above and take note of the contents of the Annex to the document;
- comment and draw conclusions on the information contained in the document and in the Annex; and,
- provide guidance to the Secretariat on possible further actions concerning ceasing of effect and transformation.

Upon completion of the discussions, the Chair concluded as follows:
- There was no consensus on the immediate need to undertake a study on the freezing of dependence, as proposed by the Delegation of Norway.
- There was agreement on the need to compile additional, more accurate information on ceasing of effect, and especially on central attack and transformation.
- The Working Group agreed that Offices would furnish to the International Bureau additional, more accurate information on ceasing of effect, and especially on central attack and transformation. The International Bureau was requested to notify the details concerning the implementation of this initiative.
2. **Article 9sexies (1)(b) of the Madrid Protocol: Documents MM/LD/WG/9/5 and MM/LD/WG/9/5 REV.**

Upon the recommendations of the *ad hoc* Working Group, the Assembly of the Madrid Union, in September, 2007, approved a modification of paragraph (1) of Article 9sexies ("the safeguard clause") establishing, in a new paragraph (a) the principle that the Protocol, and the Protocol alone, would, in all aspects, apply between States bound by both the Agreement and the Protocol.

In addition, the Assembly approved a new subparagraph (b), which rendered inoperative declarations made under Article 5(2)(b) and (c) or Article 8(7) of the Protocol in the mutual relations between States bound by both treaties. As a result, the standard regime of Article 5(2)(a) and of Articles 7(1) and 8(2) applies between such States, that is, the time limit of one year for the notification of a provisional refusal, and the payment of the supplementary and complementary fees.

Finally, the Assembly approved a new paragraph (2) of Article 9sexies, under which the Assembly, after the expiry of three years from 1 September 2008, the date on which the modifications to Article 9sexies entered into force, shall review the application of paragraph (1)(b) and may maintain it as it is today or, at any time thereafter, either repeal it or restrict its scope by a three-fourths majority of States which are party to both the Agreement and the Protocol.

Paragraph (1)(b) of Article 9sexies of the Protocol, by rendering inoperative declarations under Article 8(7) of the Protocol in the mutual relations between States bound by the Agreement and the Protocol, results in the application of the standard regime of Articles 7(1) and 8(2) between such States.

The standard regime of Articles 7(1) and 8(2) is comprised of a basic fee, a complementary fee for any request of extension of protection under Article 3ter of the Protocol, and a supplementary fee for each class of the international classification, beyond three, into which the goods or services to which the mark is applied will fall.

According to paragraphs (5) and (6) of Article 8 of the Protocol, the supplementary and complementary fees collected are divided among the interested contracting parties, in proportion to the number of designations received and to a coefficient which is defined in Rule 37 of the common regulations.

As a result, in 2009 and 2010, States bound by the Agreement and the Protocol, which had made a declaration under Article 8(7) of the Madrid Protocol, instead of receiving individual fees, received 11.20 and 11.77 million Swiss francs, correspondingly, as their share in the supplementary and complementary fees collected with respect to designations made in international registrations in which the Office of origin corresponded to a State also bound by both treaties (see Tables VIII and IX).

Taking into account the number of designations recorded or renewed in 2009 and 2010, in which a declaration under Article 8(7) of the Protocol was rendered inoperative, the International Bureau has been able to simulate the impact the said declaration would have had in the fee distribution of the concerned States, had it been operative.
In 2009 and 2010, in the absence of paragraph (1)(b) of Article 9 sexies, States bound by the Agreement and the Protocol, which had made a declaration under Article 8(7) of the Madrid Protocol, would have received 47.33 and 49.24 million Swiss francs, correspondingly, as individual fees collected with respect to designations made in international registrations in which the Office of origin corresponded to a State also bound by both treaties (see Table X).

The Working Group was invited to:
- consider the information presented in the document; and,
- indicate any further course of action concerning the review of the application of paragraph (1)(b) of Article 9 sexies, including whether it would make a recommendation to the Madrid Union Assembly.

The majority of delegations stated that the current wording of paragraph (1)(b) of Article 9 sexies was satisfactory for users and, therefore, declared themselves in favour of keeping it.

The Chair concluded that there was no consensus on the immediate need to either restrict or repeal the scope of paragraph (1)(b) of Article 9 sexies. The Working Group therefore agreed to recommend that the Madrid Union Assembly neither repeal nor restrict the scope of paragraph (1)(b) of Article 9 sexies at this time. The Working Group also decided that the review of the application of paragraph (1)(b) of Article 9 sexies should again be included in the agenda of the next session of the Working Group.

3. Division of the International Registration: Document MM/LD/WG/9/2

The contribution of the Swiss Trade Mark and Patent Office and the Association AROPI stem from the observation that, whereas the legislation of most of the members of the Madrid Union provides for the possibility for applicants to divide their applications for trade mark registration and, in certain cases, also for the possibility for holders of trade mark registrations to divide their registrations, the possibility of dividing an international registration, either before or after it has acquired the effect of a national or regional registration in any given contracting party, is not provided for in the Madrid Agreement, the Madrid Protocol or the Common Regulations. As a result, an applicant who chooses the international route for securing protection for his mark cannot avail himself of a somewhat common feature of trade mark laws which might have been available to him had he chosen the national or regional route instead of the international route.

As set out in the document MM/LD/WG/7/3 “modulable division” (presented in July 2009) would be designed to overcome objections which may affect the international registration in one or more of the designated contracting parties (but not necessarily in all the designated contracting parties) and which may relate to different goods and services according to the designated contracting parties. The international registration would be divided in relation only to the contracting party or parties to which the division is relevant and, in relation to each contracting party concerned, the division would relate to the goods or services in dispute in the contracting party.

Typically, an applicant is interested in dividing his application where an objection by the Office or an opposition filed against the registration of the mark affects only some of the goods and services in respect of which protection is sought. In such a situation, a division allows the undisputed part of the application to proceed to registration, while prosecution of the objection or opposition proceedings continues only with respect to the disputed part of the application.
Similarly, the possibility of dividing a registration may be available in jurisdictions where an opposition can be filed only after the mark has been registered (“post-registration” opposition system). Where the opposition affects some only of the goods and services covered by the registration, division of the registration will allow the holder to obtain immediately, in respect of the undisputed goods and services, a title of protection that he may need for the enforcement of his mark or for other business considerations.

These situations were indeed the primary considerations which led to the inclusion of provisions regarding the division of applications for trade mark registration and of trade mark registrations in the Trademark Law Treaty (TLT), adopted in 1994. The text of Article 7 of the Singapore Treaty (2006) is the same as that of the TLT. At the end of 2010, 51 countries were bound by the TLT, or the Singapore Treaty, or both.

While there would appear to be undeniable merit in the exploration of the possibility of the introduction of a procedure that would formally allow for division of international registrations, it is suggested that a primary concern of the Working Group should be the implications, for all parties concerned, if such a measure were to be adopted. This would imply giving consideration as to whether there is, at this present time, a real perceived need and demand for such a procedure within the framework of the Madrid system. It would also imply taking into account the current drive to improve the system, in the context of how it serves its users on a day to day basis, in terms of simplicity, transparency, speed and efficiency as well as expectations of those many States that are presently giving consideration to acceding to the system, and the extent to which those States may have misgivings arising from the introduction into the system of a procedure which may have wider-term complex implications.

The Working Group was invited to:
- review this document; and
- give its views on the possible introduction of a procedure allowing for the division of international registrations in the Madrid system, and on the possible alternatives discussed in this document.

The Chair concluded that there was no consensus at this stage on the need to introduce division in the Madrid system, and proposed that the international bureau, together with some interested Offices and organizations, study the matter in depth in order to present a proposal for the next session of the Working Group.

4. **Simplification of the Madrid System: Document MM/LD/WG/9/4**

The proposals were related to the:
- Translation upon request of statements of grant of protection following a provisional refusal made under Rule 18ter(2)(ii);
- Translation of the list of goods and services affected by a limitation in an international application, subsequent designation or request for limitation;
- Communications concerning the status of protection of the mark sent by the Offices of the contracting parties to the International Bureau in a positive manner;
- Efficient publication of the gazette.

As ECTA, did not attend this part of the meeting, kindly refer to the summary of the Chair.
5. **Other matters**

The Secretariat introduced the Madrid Legal Forum, the establishment of which was requested by the Working Group in its 8th session in July 2010. The Secretariat indicated that 47 requests for access had been granted, and that 100 requests were pending provisions of usernames by potential users of the forum. The Madrid Legal Forum should be an arena for exchanging views between sessions of the Working Group.