



European Communities Trade Mark Association

**REPORT\* ON THE  
AD HOC WORKING GROUP ON THE LEGAL DEVELOPMENT OF THE MADRID  
SYSTEM FOR THE INTERNATIONAL REGISTRATION OF MARKS**

Geneva, July 4 to 8, 2005

Article 5(2)(e) and Article 9sexies(2) of the Madrid Protocol provides for the review by the Assembly of the Madrid Union of, respectively, the refusal procedure and the “safeguard clause” upon expiry of a period of 10 years from the entry into force of the Protocol, namely as from December 1, 2005.

Further, the Assembly of the Madrid Union may amend the Common Regulations under the Madrid Agreement and the Protocol.

The Ad Hoc working group has therefore been convened in order to discuss:

- The possible amendments to the provisions of the Madrid Protocol which the Assembly may decide to undertake in 2006;
- The possible amendments of the Common Regulations to be submitted for adoption by the Assembly in 2006.

In this connection, please also refer to our previous notes in [ECTA Flash 07-05](#) and [Special ECTA Flash 11-05](#).

## **I. Review of the Refusal procedure under the Madrid Protocol**

### Article 5(2)(a) – Notification of refusal to the International Bureau

The one year refusal period has proven to be satisfactory for both the users and the Offices and it was concluded that no modification is needed.

### Article 5(2)(b) – Possible extension of time limit up to 18 months for notification of refusal to the International Bureau

The attention had been drawn to the fact that the users do have a preference for a single 12-month refusal period.

However, providing for a single 12-month refusal period might prevent potential new Contracting parties from acceding to the Protocol. Further, some Contracting countries underlined that they still need the 18-month refusal period at least at some occasion.

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\* This report is based on the draft report of the meeting as prepared by WIPO and distributed on July 8, 2005 at the Ad Hoc Meeting

Some alternative possible solutions have been raised such as to provide additional possible time limits of 15 or 16 months, or to provide for a possible transitional period for new contracting parties (for instance the possibility to extend from 12 to 18 months the 5 first years of accession to the system).

It has been concluded that the recommendation of the Working Group is not to modify Article 5(2)(b).

#### Article 5(2)(c) – Refusal resulting from an opposition

##### *Introduction*

There has been no specific comment and it has been concluded that it should not be modified.

##### *Article 5(2)(c)(i)*

There has been no specific comment and it has been concluded that it should not be modified.

##### *Article 5(2)(c)(ii)*

Despite the proposal of WIPO to delete the reference to the 7-month period, it has been concluded that the paragraph should be simplified but that in order to avoid possible Contracting Parties to opt for an opposition period longer than six months, reference to the 7-month period should be kept.

Therefore a new wording of Article 5(2)(c)(ii) has been prepared and will be recommended namely:

*“(ii) the notification of the refusal based on an opposition is made within a time limit of one month from the expiry of the opposition period, provided that such time limit does not exceed seven months from the date on which the opposition period begins.”*

#### Article 5(2)(d) – Effective date of declaration made as per Article 5(2)(b) or (c)

There has been no specific comment and it has been concluded that it should not be modified.

#### Article 5(2)(e) – Possible future amendments by the Assembly

The Working Group concluded, as proposed by the International Bureau, to recommend an interpretative statement of Article 5(2)(e) of the Protocol so as allowing the Assembly to examine the operation of the system established by subparagraph (a) to (d), as last amended, and that any further modification of those provisions should require a unanimous decision of the Assembly.

## **II. Review of the Safeguard Clause - Article 9 sexies Madrid Protocol**

### (a) the refusal period

As far as the countries bound by the Agreement and the Protocol were concerned:

- 6 delegations expressed support for maintaining the safeguard clause with respect to the refusal period namely: Austria, France, Germany, Kyrgyzstan, the Russian Federation and Slovenia;

- 9 delegations favored a restriction of the scope of the safeguard clause, namely Bulgaria, China, Cuba, Iran, Italy, Kenya, Portugal, Spain and Switzerland.

While only bound by the Protocol, the delegations of Australia, the European Community, Ireland, Korean Republic, Sweden, the United Kingdom and the USA expressed that they are in favour of a restriction of the scope of the safeguard clause.

It has also been raised the possibility to repeal the safeguard clause with respect to the refusal period should the national offices provide for information regarding the status of pending for example through the sending of statements of grant protection. It has been stated that the notification of these kind of statements might constitute a burden of work which some national offices with small capacities could not easily perform.

The conclusion was that no recommendation could be made by the Working Group at this point in connection with the possible repeal of the safeguard clause with respect to the refusal period in view of the divergences of opinion and the lack of position of other delegations.

#### (b) the individual fee system

- 10 delegations expressed support for maintaining the safeguard clause with respect to the refusal period namely: Bulgaria, China, France, Germany, Italy, Kyrgyzstan, Latvia, Morocco, the Russian Federation and Slovenia;  
The reason being mainly that it would be favourable to users as it would lead to an increase of the fees.
- 7 delegations favored a restriction of the scope of the safeguard clause, namely Cuba, Hungary, Iran, Italy, Kenya, Portugal, Spain and Switzerland.  
Reasons raised being,
  - that the safeguard clause had been drawn up as a transitional tool. Now the Protocol has proven its efficiency the transitional rules should no longer apply
  - the repeal of the whole safeguard clause, will simplify the system which is one of the goal of the review of the system.
  - for some delegations, the repeal will provide for more equality between all contracting countries, as they all will be able to chose for the fee system.

It has also been raised the possibility to repeal the safeguard clause with respect to the individual fee system provided that the maximum amounts of individual fees be limited so as for example not to exceed 50%. But this could cause financial difficulties for some offices.

The conclusion was that no recommendation could be made by the Working Group at this point in connection with the possible repeal of the safeguard clause with respect to the individual fee system in view of the divergences of opinion.

#### (c) the possibility of requesting a transformation in the event of a central attack during the five-year dependency period

The Working Group agreed to a proposal to restrict the scope of the safeguard clause with respect to the transformation be submitted to the Assembly.

Indeed, such restriction would allow more transformations to take place and would therefore be beneficial to the users of the Madrid system.

#### (d) the required basis for filing an international application

The Working Group agreed to a proposal to restrict the scope of the safeguard clause with respect to the required basis for the filing of an international application be submitted to the Assembly.

Indeed, this restriction would result in more flexibility and would therefore be beneficial to the users of the Madrid system.

#### (e) the issue of the so-called “cascade”

The Working Group agreed to a proposal to restrict the scope of the safeguard clause with respect to the “cascade” be submitted to the Assembly as this being for the benefit of the users of the Madrid system.

#### (f) the presentation to the International Bureau of subsequent designations and requests for the recording of cancellations and renunciations.

The Working Group agreed to a proposal to restrict the scope of the safeguard clause with respect to the presentation to the International Bureau of subsequent designations and requests for the recording of cancellations and renunciations be submitted to the Assembly as this being for the benefit of the users of the Madrid system.

Indeed, this would result in more possibilities as regards the communication of requests to the International Bureau, and would therefore be beneficial to the users of the Madrid system.

#### *Additional Features to Be Considered as Part of the Review of the Safeguard Clause.*

The Working Group agreed that in the case of a restriction of the safeguard clause, the recommendation of the Working Group was that an interpretative statement be submitted to the Assembly of the Madrid Union to the effect that Article 9 sexies(2) of the Protocol be understood as allowing the Assembly to undertake, at any point in time, further reviews of the safeguard clause.

#### Language Regime

The Working Group agreed to a proposal to amend the Common Regulations so as to provide for the trilingual regime in the mutual relationship between the States bound by both the Agreement and the Protocol be submitted to the Assembly.

### **III. Possible amendments to the Common Regulations**

#### Address of Representative

The Working Group agreed to a proposal consisting of amending Rule 3(1) to provide that anyone might be appointed in an international application/registration to act as a representative before the International Bureau – not necessarily with an address in a Contracting Party to the Madrid system - be submitted to the Assembly.

#### Treatment of irregularities affecting the date

It has been concluded that no recommendation be made by the Working Group to the Assembly. Indeed, even if they are not frequent, the system is advantageous to the users. Further, as errors may be due to the national offices, permitting corrections avoid possible court actions against the national offices which is possible in some countries.

### Provisional recording of a renewal – Rule 30(3)(c)

It has been concluded that a proposal consisting of amending Rule 3(1) to provide that anyone might be appointed in an international application/registration to act as a representative before the International Bureau – not necessarily with an address in a Contracting Party to the Madrid system - be submitted to the Assembly.

### Yearly index – Rule 32(3)

It has been concluded that a proposal consisting of deleting Rule 32(3) of the Common Regulations be submitted to the Assembly.

### Date of recording of various communications – Rules 19 to 21

It has been concluded that a proposal consisting of specifying in Rules 19 to 21 the date of recording be submitted to the Assembly.

### Proposal made by the delegation of Switzerland – Rule 20(3)

The Swiss delegation and the Working Group agreed to make a recommendation consisting in supplementing Rule 20(3) so as to provide that the recording of a restriction of the holder's rights of disposal be also communicated to the Office of the Contracting Party of the holder, be submitted to the Assembly of the Madrid Union for adoption.

### Proposal made by the delegation of Switzerland – Rule 28(2)

The Swiss delegation and the Working Group agreed to make a recommendation consisting in supplementing Rule 28(2) so as to provide that the recording of a correction of the International Register be also notified by the International Bureau to the Office that had requested such correction, be submitted to the Assembly.

## **IV. Other matters**

The following points have been raised, for further possible discussion at a later stage:

- The possibility when an application had been partially refused, to proceed to publication for the purpose of opposition and, where applicable, to protection of those goods and services which had not been the subject of the partial refusal. - Rule 17(5).
- The possibility of notifying statements of grant of protection in respect of some only of the goods and services. - Rule 17(6).
- Possible further restrictions on the operation of Rule 28(4)
- The possible use of model provisions on the issues of replacement and transformation.
- The possible use of standardised forms or templates.
- The future of the Madrid system.

## **V. Useful links**

- [WIPO preparatory document](#)
- [Madrid Agreement](#)
- [Madrid Protocol](#)
- [Common Regulations](#)

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