

# WIPO



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**WORLD INTELLECTUAL PROPERTY ORGANIZATION**  
GENEVA

**SPECIAL UNION FOR THE INTERNATIONAL REGISTRATION OF MARKS  
(MADRID UNION)**

## **ASSEMBLY**

**Thirty-Seventh (21<sup>st</sup> Extraordinary) Session  
Geneva, September 25 to October 3, 2006**

### REPORT

*adopted by the Assembly*

1. The Assembly was concerned with the following items of the Consolidated Agenda (document A/42/1): 1, 2, 3, 4, 6, 7, 16, 21, 24 and 25.
2. The report on the said items, with the exception of item 16, is contained in the General Report (A/42/14).
3. The report on item 16, is contained in the present document.

ITEM 16 OF THE CONSOLIDATED AGENDA:

MATTERS CONCERNING THE MADRID UNION

Legal Development of the Madrid System

4. Discussions were based on document MM/A/37/1.

5. The Chair of the *ad hoc* Working Group on the Legal Development of the Madrid System for the International Registration of Marks (hereinafter referred to as “the Working Group”), Mr. António Campinos from Portugal, said that the purpose of the second session of the Working Group held in Geneva, in June 2006, had been to continue the work undertaken last year for the purpose of preparing proposals for the review of certain provisions of the Madrid Protocol and of the Common Regulations Under the Madrid Agreement and Protocol. He said that a consensus had been attained in respect of a large number of issues relating, in particular, to the refusal procedure contained in Article 5 of the Madrid Protocol, the language regime under the Madrid system, amendments to several provisions of the Common Regulations, the establishment of standard forms for use by Offices of Contracting Parties and the procedures for transformation and replacement. He further noted that the Working Group had concluded that it was desirable to continue the preparatory work for the review of the safeguard clause with the aim of achieving the following objectives:

“(a) simplify, as much as possible, the operation of the Madrid system, keeping in mind the ultimate goal that the system be governed by only one treaty;

“(b) ensure equal treatment among all Contracting Parties to the Madrid Protocol;

“(c) allow users of States which are today bound by both the Agreement and the Protocol to be able to benefit from the advantages offered by the Protocol while limiting undesired effects that might affect them as a result of the application of the Protocol.”

6. The Chair of the Working Group added that the Working Group had recommended that the Assembly extend its mandate so that it could continue its work, “giving priority to exploring a proposal for a possible repeal of the safeguard clause accompanied by measures aimed at:

“(a) ensuring that the level of services provided by the Offices of Contracting Parties to the Protocol is commensurate with the individual fees charged and the length of the applicable refusal period, and

“(b) establishing more precise criteria and maximum levels to be applied by Contracting Parties to the Protocol when fixing the amounts of the individual fees they may require.”

7. The Delegation of Germany stated that it wished to thank the International Bureau of WIPO for the comprehensive documentation which had been prepared for the meeting of the Madrid Assembly. It also wished to thank the Chair of the Working Group for his report. The Delegation confirmed its support for the proposals set out in document MM/A/37/1 and, in particular, the proposal to extend the mandate of the Working Group so that the discussions on the review of the safeguard clause and the future development of the Madrid system could continue.

8. The Delegation of Switzerland said that the conclusions reached by the Working Group at its last session, in June 2006, and the proposed recommendations, constituted an excellent basis for further discussion of the review of the safeguard clause. Account had been taken of essential objectives, such as simplification of the Madrid system and ensuring equality of treatment among all members of the system. However, it was necessary to extend the mandate of the Working Group so that it could continue, in 2007, its preparatory work on the review of the safeguard clause and other matters which had been the subject of its recommendations. The Working Group should, in particular, examine a possible total repeal of the safeguard clause, accompanied by a reduction of the maximum authorized amount of individual fees in order to avoid an inappropriate increase of the costs of use of the system.

9. The Delegation of Kenya expressed its satisfaction with, and support for, the recommendations of the Working Group. It therefore agreed with the extension of its mandate in order to enable it to continue with its work, in particular with regard to the review of the safeguard clause, with the objective of simplifying and harmonizing the practices of the Madrid system. The Delegation expressed the hope that the Working Group, in exploring measures such as those outlined in paragraph 7 of document MM/A/37/1, aimed at “ensuring that the level of services provided by the Offices of Contracting Parties to the Protocol is commensurate with the individual fees charged and the length of the applicable refusal period,” would attempt to avoid the adoption of measures that might result in implementation problems subsequently.

10. The Delegation of Australia supported all the recommendations of the Working Group as set out in document MM/A/37/1 and was in agreement with the proposed extension of the mandate of the Working Group. The Delegation stated that it was important that the Madrid system continue to meet the needs of Member States and users and it therefore strongly supported the recommendations that sought to ensure that the Working Group would be considering, at the earliest opportunity, the future development of the Madrid system. In its view, paragraph 15 of document MM/A/37/1 did not clearly ensure that discussions on the future development of the Madrid system would continue once the review of the safeguard clause had been concluded. The Delegation therefore proposed that paragraph 16(c)(ii) of the document read “continue the work referred to in paragraphs 14 and 15, above *and report back at the next session of the Assembly on progress on both.*”

11. The Delegation of the United States of America said that it agreed with the sentiments expressed by earlier delegations on the goal of eliminating the safeguard clause and supported the amendment proposed by the Delegation of Australia in relation to paragraph 16(c) of document MM/A/37/1.

12. The Delegation of France, supporting the amendment proposed by the Delegation of Australia, stated that it agreed with the extension of the mandate of the Working Group with the objective of simplification of the Madrid system while at the same time avoiding cost increases which users would not be in a position to bear.

13. The Assembly:

(a) took note of the conclusions and recommendations of the Working Group as contained in document MM/LD/WG/2/11, reproduced in the Annex to document MM/A/37/1;

(b) endorsed, in particular, the conclusions of the Working Group, as referred to in paragraph 6 of document MM/A/37/1;

(c) decided to extend the mandate of the Working Group in order to:

(i) continue the preparatory work for a review of the safeguard clause to be undertaken by the Assembly, as recommended in paragraphs 6 and 7 of document MM/A/37/1; and

(ii) continue the work referred to in paragraphs 14 and 15 of document MM/A/37/1, and report back at the next session of the Assembly on progress on both; and

(d) endorsed the recommendations of the Working Group referred to in paragraphs 11, 12 and 13 of document MM/A/37/1.

#### Review of the Refusal Procedure under the Madrid Protocol

14. Discussions were based on document MM/A/37/2.

15. The Secretariat recalled that Article 5(2)(e) of the Protocol stipulated that the provisions dealing with the refusal procedure should be reviewed by the Assembly upon the expiry of a period of 10 years from the date of entry into force of the Protocol. This period had now expired and, in order to facilitate that review, the Working Group had examined the various provisions of the Protocol dealing with the refusal procedure. The Working Group had concluded that none of those provisions required amendment, with the exception of Article 5(2)(c)(ii) for which the adoption of a simplified drafting was recommended. The Working Group further recommended that the Assembly of the Madrid Union adopt an interpretative statement to the effect that Article 5(2)(e) of the Protocol be understood as allowing the Assembly to undertake, at any point in time, further reviews of the operation of the refusal procedure.

16. The Secretariat indicated that the text of both the proposed amendment and the proposed interpretative statement were contained in Annex II of document MM/A/37/2 and that the Assembly was invited to adopt them so as to complete the review envisaged in Article 5(2)(e).

17. Several delegations indicated their support for the proposed amendment to Article 5(2)(c)(ii) and for the interpretative statement.

18. The Assembly:

(i) adopted, with immediate effect, the amendment of Article 5(2)(c)(ii) of the Protocol, as set out in Annex II of document MM/A/37/2, and

(ii) adopted the interpretative statement concerning further reviews of the operation of the refusal procedure under Article 5 of the Protocol, as set out in Annex II of document MM/A/37/2.

#### Amendment of the Common Regulations under the Madrid Agreement and Protocol

19. Discussions were based on document MM/A/37/3 Rev.

20. The Secretariat recalled that, to the exception of those relating to Rules 1(*xxvibis*) and 39, all the proposed amendments had been examined in detail by the Working Group, and that the Working Group specifically recommended that they be adopted by the Assembly.

21. Giving the background to the proposed amendments to Rule 39, the Secretariat recalled that that Rule established a simple procedure for the continuation of effects of international registrations in certain States which had become independent and whose territory had, before independence, been part of the territory of a Contracting State to the Madrid Agreement. That procedure had been applied with respect to the successor States of former Czechoslovakia and several successor States of the former Soviet Union and the former Socialist Federal Republic of Yugoslavia. But this Rule, as it stood today, only referred to the Agreement, not to the Protocol, and this was because, at the time when the Rule had been adopted, the Protocol had not yet been in force. The proposed amendment would make it clear that the procedure established under Rule 39 also applied with respect to designations made under the Protocol. Rule 39 as amended would also state clearly that the Rule would not apply to a State that declared that it continued the legal personality of a Contracting Party, thus assuming all the rights and obligations of that Contracting Party.

22. Several delegations stated their support for the proposed amendments contained in the document.

23. The Delegation of Germany, supported by the Delegation of Austria, suggested that, with the exception of the proposed amendments to Rule 1(*xxvibis*) and Rule 39, the date of entry into force of the amendments be April 1, 2007, instead of January 1, 2007. The legal procedures necessary for the implementation of amendments to legislation in Germany would necessitate that longer period of time.

24. The Delegation of Serbia, expressed its support for the proposals contained in paragraphs 28 and 30 of document MM/A/37/3 Rev., to allow the procedure established under Rule 39 of the Common Regulations to apply also in respect of the Madrid Protocol. It noted that the proposed amendment to paragraph (5) of Rule 39 would properly take into account the situation of Serbia, which continued the legal personality of the former state union of Serbia and Montenegro.

25. The Assembly:

(i) adopted the amendments to Rules 3, 19, 20, 20*bis*, 21, 28 and 32 of the Common Regulations as set out in Annex II of document MM/A/37/3 Rev., to take effect from April 1, 2007; and

(ii) adopted, with immediate effect, the amendments to Rules 1(*xxvibis*) and 39 of the Common Regulations as set out in Annex II of document MM/A/37/3 Rev.

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