

Working Group on the Legal Development of the Madrid System for the International Registration of Marks

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PROPOSED AMENDMENTS TO THE COMMON REGULATIONS UNDER THE MADRID AGREEMENT CONCERNING THE INTERNATIONAL REGISTRATION OF MARKS AND THE PROTOCOL RELATING TO THAT AGREEMENT

Document prepared by the International Bureau

INTRODUCTION

1. It is recalled that at the eighth session of the Working Group on the Legal Development of the Madrid System for the International Registration of Marks (hereinafter referred to as “the Working Group”), it was agreed that the Working Group would deal with issues relating to the further simplification of the internal processes carried out by the International Bureau, in order to make the Madrid system simpler, more efficient, reliable, flexible, user-friendly as well as time and cost effective. During their interventions, several delegations stressed the need to make the Madrid system more attractive for its users, namely applicants, right-holders, interested third parties and Offices of the Contracting Parties, through its increased efficiency. Thus, consensus was reached on the need to continuously focus on the simplification of the Madrid system.
2. In line with the above, the International Bureau has begun a review of its organization, processes and practices in order to streamline them. As a result of this exercise, it became clear that certain amendments to the Common Regulations under the Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to that Agreement (hereinafter referred to, respectively, as “the Common Regulations”, “the Agreement” and “the Protocol”) might be required.

PROPOSED AMENDMENTS TO THE COMMON REGULATIONS

3. This document contains proposals to change the Common Regulations, namely, the introduction of a new rule, Rule 5*bis*, and amendments to existing Rules 30(2) and 31(4), which are reproduced in Annex I to the present document.

CONTINUED PROCESSING BEFORE THE INTERNATIONAL BUREAU WITH RESPECT TO THE APPLICATION OR REGISTRATION, OR REQUEST FOR RECORDING OF A CHANGE IN AN INTERNATIONAL REGISTRATION

4. This proposal concerns the possibility for an applicant or holder, where he has failed to comply with a time limit for an action in a procedure before the International Bureau, related to an international application or registration, to request continued processing before the International Bureau.

Current Legal Framework in the Madrid System

5. Infrequently, the International Bureau receives requests from users concerning available relief measures where the applicant or holder has been unable to meet specific time limits before the International Bureau. This has for example been the case after earthquakes in Italy and Japan, the ash cloud over Europe, and the avian and swine flu pandemics.

6. Neither the Agreement, the Protocol nor the Common Regulations contain provisions where a certain situation may be restored to its original condition, such as, for example, continued processing or reinstatement of rights. Rule 5 of the Common Regulations deals with failures to meet time limits for communications addressed to the International Bureau, but this provision is restricted to irregularities in postal and delivery services.

7. The Singapore Treaty on the Law of Trademarks (hereinafter referred to as “the Singapore Treaty”) and the Regulations under the Singapore Treaty provide for, in situations where a time limit has expired, relief measures such as extension of time limit, continued processing or reinstatement of rights¹.

Proposed Continued Processing in the Madrid System

8. A more flexible legal framework would accommodate improvements introducing more user-friendly measures to correct procedural mistakes by applicants or holders. The proposed changes should strike a fair balance among the interests of the parties having missed time limits, third parties, competitors and the designated Contracting Parties. They should also preserve fast, transparent procedures in the International Bureau whilst not unduly increasing or imposing any additional workload of the Offices concerned or the International Bureau.

9. Admittedly, the development of automation and ever more sophisticated information technology (IT) tools should progressively diminish the probability of occurrences of human error by applicants or holders. Yet, in the Madrid system, a sizable number of applicants and holders are small and medium sized enterprises (SMEs) which do not necessarily have the expertise or the means to minimize the risks of missing time limits. Additionally, the massive increase in the number of operations related to the management of Madrid trademark portfolios is correlated to an augmentation of the risk of mistakes by users of the system.

¹ See Article 14 of the Singapore Treaty and Rule 9 of its Regulations.

10. As a contribution to alleviate the detrimental effects of the above mistakes, it is proposed to introduce a new Rule *5bis* in the Common Regulations. The new provision would envisage continued processing of applications or registrations, or requests for recording of a change in an international registration, during procedures before the International Bureau, due to the failure to meet specific time limits.

11. The International Bureau has studied the three options available in the Singapore Treaty and has decided to propose the introduction of continued processing into the legal framework of the Madrid system. The reasons for opting for continued processing are that it would be a mechanism where an applicant or holder would be able to request this, within a set time limit, accompanied with a set fee. With such a mechanism, without a requirement of due care, the administrative costs and the burden on the applicant or holder are also kept to a minimum.

12. It is to be noted that the proposed continued processing would only apply to procedures involving applicants or holders and the International Bureau; it would not be applicable to any procedures before the Offices of Contracting Parties to the Madrid system. It is up to the Contracting Parties and their domestic legislation whether they will grant any relief measures, such as continued processing or reinstatement of rights in procedures, before their Offices.

13. Continued processing may be requested by the applicant or holder where he has failed to comply with a time limit for an action in a procedure before the International Bureau.

14. It is proposed that continued processing only be applicable to the following procedures:

- Rule 11(2) and (3) which deal with irregularities to be remedied by the applicant. The remedying of irregularities under Rules 12 and 13 falls outside this provision as those are to be remedied by the Office of origin;
- Rule 20*bis*(2) which deals with irregularities in relation to a request for the recording of a license;
- Rule 24(5)(b) which deals with irregularities in relation to a request for subsequent designation;
- Rule 26(2) which concerns irregularities in requests for recording of a change and for recording of a cancellation; and
- Rule 39(1)(i) which deals with the time limit in relation to a request that an international registration continue its effect in the successor State.

Notes on the Proposed New Rule *5bis* “Continued Processing”

15. Paragraph (1) of the proposed new Rule *5bis* enounces the obligation for the International Bureau to continue processing in cases of failure to comply with a time limit, provided that the conditions set by the Rule are met. It is to be noted that only procedures before the International Bureau are concerned. The provision is neither applicable to Offices of origin nor to the Offices of designated Contracting Parties.

16. Paragraph (1)(a) introduces the obligation for the applicant or holder to file a request for continued processing by using an official form. A proposal for an official form will be prepared by the International Bureau in due course. Such request for continued processing should be filed directly with the International Bureau, not through the intermediary of the Office of origin, the Office of the Contracting Party of the holder or the Office of a designated Contracting Party. No additional documentation or evidence is needed by the International Bureau for a request for continued processing.

17. Where the applicant or holder, who has failed to comply with a time limit for an action in a specific procedure before the International Bureau, submits a request for continued processing, paragraph (1)(b) states that he, at the same time, must also remedy the incurred irregularity. Otherwise, the request would not be considered as such. The proposed time limit for requesting continued processing is two months, which corresponds to the minimum time limit for such relief measure regulated in Rule 9 of the Regulations of the Singapore Treaty. A time limit of two months will provide the applicant or holder with an additional chance to restore his legal status and ensure continued processing, in case a time limit specified in Rule 5*bis*(2) has not been complied with. Such a time limit will ensure the continued efficiency in the International Bureau in the processing of international applications, international registrations and requests for subsequent designations or recording of changes to an international registration, while keeping in mind the preservation of third-party rights or interests. Any longer time limit would be a disadvantage for third parties, as well as for the further processing in the designated Contracting Parties.

18. In addition to using the official form, the applicant or holder must also pay the fee for such request. The fee is proposed to be set at 300 Swiss francs. This stipulated amount is thought to cover the impact of this new facility on the Operations Service of the International Bureau, including the necessary changes to be made to the IT systems to allow for such continued processing and the implied additional work to be taken on by the examiners and the administrative staff.

Procedures Where Continued Processing May Be Available

19. The scope of the provision includes only the procedures under the Common Regulations specifically mentioned under new proposed Rule 5*bis*(2). It is proposed to be applicable for time limits specified in Rules 11(2) and (3), 20*bis*(2), 24(5)(b), 26(2) and 39(1)(i).

20. Paragraphs (2) and (3) of Rule 11 deal with irregularities other than those concerning the classification of goods and services or their indication, and which are to be remedied by the applicant. Rule 11(2) regards irregularities others than those referred to in paragraphs (3), (4) and (6) of Rule 11. Rule 11(2) will, more specifically, regard irregularities related to the reproduction of the mark, information about the mark (translation, transliteration) or irregularities related to the applicant's name and address. Irregularities regarding payment of fees are regulated in Rule 11(3) and also included as a subject for possible request for continued processing.

21. It is also proposed that the failure to meet a time limit in relation to a request for subsequent designation under Rule 24(5)(b) be the subject for possible request for continued processing. Such procedure is similar to the one mentioned above in relation to international application and irregularities referring to Rule 11(2) and (3).

22. It is further proposed that continued processing be applicable on failure to meet a time limit in relation to irregularities concerning a request for recording of a change and for recording of a cancellation in Rule 26(2). The date of recording of such request is the date the International Bureau receives a request complying with the applicable requirements (see Rule 26(1)). Where the holder, upon receipt of an irregularity letter, later fails to remedy within the given time limit, the holder may request continuing processing if he meets the requirements in proposed new Rule 5*bis*. Where this is the case, the date of the recording of a change in relation to Rule 25 will be the last day it would have been possible to remedy the irregularity within the given time limit, meaning the date of expiry of the three-month time limit indicated in the irregularity letter. If it is not important for the holder to have this date as the date of recording of the change concerned, he has the option of submitting a new request for recording of a change or cancellation, and the date of such recording will be the date the International Bureau receives a request meeting the requirements mentioned in Rule 25.

23. Similarly, proposed new Rule *5bis* may be applicable also for the request for recording of a license, see Rule *20bis*. Where there is an irregularity with the request for the recording, and where the holder has failed to meet the time limit to remedy, the holder may request continued processing. If it is not important for him to have as the date of recording of the license the date of the expiry of the three-month time limit, he has the option of submitting a new request for recording of a license, meeting the requirements set out in Rule *20bis*(1).

24. To illustrate this with an example: a holder requests the recording of a change or a license which is received by the International Bureau on October 1, 2012. The request is considered irregular as it does not meet the applicable requirement (for example, missing signature on the form) and the International Bureau sends an irregularity letter to the holder on November 1, 2012, with a three-month time limit to respond. The holder misses this time limit (February 1, 2013), but he requests a continued processing on April 1, 2013, he pays the prescribed fee (i.e., 300 Swiss francs) and at the same time remedies the irregularity. With such continued processing, the date of the recording of the change/license will be February 1, 2013, as this is the last day he could have remedied the irregularity. If it is not important for the holder to have this date, he can rather submit a new request for recording of a change/license on April 1, 2013. If this new request meets the applicable requirements, the date of the recording of the change/license will be April 1, 2013.

25. Finally, it is proposed that continued processing be applicable for the time limit under Rule 39(1)(i) within which to request an international registration to continue its effects in the successor State.

Procedures Where Continued Processing Will Not Be Applicable

26. The remedying of irregularities under Rules 11(4), 12 and 13 falls outside this provision as this is within the competency of the Office of origin.

27. It would also not be possible to request continued processing for failure to meet the time limit concerning Rule 11(6), as the provision expressly states that the declaration of intention to use the mark shall be received by the International Bureau within the period of two months from the date of receipt of that international application by the Office of origin.

28. A Contracting Party to the Singapore Treaty is not obliged to provide for any relief measure for the extension of a time limit fixed for the payment of renewal fees, as the failure to comply with a time limit for payment of a renewal fee is expressly mentioned in its Rule 9(4) as an exception to Article 14(3). It is therefore proposed that continued processing not be applicable for time limits in relation to renewal. For renewal of an international registration in the Madrid system, the holder also has the grace period, an additional six-month time limit following the date of renewal, within which renewal may be recorded against an additional fee (surcharge).

29. Continued processing is further not proposed for the payment of the second part of the individual fees. Even though such procedure takes place before the International Bureau, as it is the International Bureau that sends out such notifications of payments, this is in fact only on behalf of the concerned designated Contracting Party, which also sets the time limit for such payment.

Processing of Requests Under Proposed New Rule *5bis* "Continued Processing"

30. Upon receipt of a request for continued processing, the International Bureau shall promptly examine the situation, to see whether the requirements set out in proposed new Rule *5bis*(1) and (2) are met; meaning receiving the request no later than two months from the expiry of the time limit that is the subject of request for continued processing, the receipt of

payment of the stipulated fee and that the applicant or holder remedies the irregularity(ies). Where the requirements are not met and continued processing cannot be granted, the International Bureau receives, for example, the request more than two months after the expiry of the concerned time limit, the International Bureau shall promptly notify the applicant or holder or his representative of this fact.

31. Where the requirements are met, the International Bureau shall record any granted continued processing and notify the applicant or holder.

32. Where, in a procedure covered by proposed new Rule 5*bis*, the time limit for remedying an irregularity has not been met, any decision to be taken by the International Bureau on abandonment and any reimbursement of fees paid in relation to the original request, in accordance with the Common Regulations, will only be made after the expiry of the two-month time limit for requesting continued processing.

33. Where a request for continued processing has been received, but cannot be considered as such as it does not meet the requirements as set out in proposed new Rule 5*bis*, the original request will be declared abandoned, any fees paid in relation to the original request will be reimbursed, according to the Common Regulations, but any fees paid in relation to the request for continued processing will not be reimbursed.

34. Any granted continued processing will be recorded in the International Register.

35. Finally, an amendment to the Schedule of Fees under “Miscellaneous recordings”, a new item 7.6, which is reproduced in Annex II to the present document, is proposed with the stipulated fee of 300 Swiss francs.

36. The International Bureau shall make available in due course the official form for requesting continued processing on the Madrid system web site in the three working languages.

RENEWAL OF THE INTERNATIONAL REGISTRATION AFTER PARTIAL PROTECTION HAS BEEN GRANTED BY AN OFFICE OF A DESIGNATED CONTRACTING PARTY FOLLOWING A STATEMENT OF GRANT OF PROTECTION UNDER RULE 18*TER*(2)(II) OF THE COMMON REGULATIONS (PARTIAL RENEWAL OF AN INTERNATIONAL REGISTRATION)

Current Legal Framework on Renewals in the Madrid System

37. Renewals in the Madrid system are envisaged in Article 7 of both the Agreement and the Protocol and in Chapter 6 of the Common Regulations (Rules 29 to 31).

38. Both the Agreement and the Protocol, in their respective Article 7(2), rule out the possibility that renewals include changes in relation to the international registration in its latest form. A renewal does not create a new registration, but merely prolongs the validity of the international registration with the content which that registration has at the moment of renewal. The aforesaid provisions thus establish the principle of the integrity and continuity of the international registration upon renewal; the reason for this is twofold: preserving legal security and ensuring an orderly management of the International Register.

39. Rule 30 deals with the different possibilities of renewal. Paragraph (2) of Rule 30 envisages five kinds of nuanced renewals – or non-renewals:

(a) renewal of the whole international registration, irrespective of whether a refusal is recorded for all goods and services in respect of a given Contracting Party;

(b) only “partial renewal” in the cases where a “partial” invalidation or limitation is recorded;

(c) non-renewal in cases of “total” invalidations for all goods and services and renunciations;

(d) non-renewal in respect of all of the designated Contracting Parties; and

(e) non-renewal in respect of a designated Contracting Party, irrespective of whether any refusal is recorded.

40. Rule 30 avoids any reference to the possibility of renewing for only the goods or services for which the mark is protected, following the recording of a statement of grant of protection sent under Rule 18*ter*(2)(ii) or of a further statement sent in accordance with Rule 18*ter*(4). Yet, Rule 30 permits the renewal of the international registration where a refusal is recorded in respect of all goods and services for a Contracting Party.

41. As a consequence of the above, the International Bureau is not entitled to make an interpretation of the Common Regulations leading to accepting a partial renewal only with respect to the goods or services protected following the recording of the aforesaid statements.

42. It could be inferred that Rule 30 contains a legal void or lacuna. Under the current legal framework, holders cannot restrict the scope of the renewal to only those goods and services for which protection has been effectively granted by a designated Contracting Party; thus they have to renew for all the goods and services, whether protected or not. A paradoxical situation thus emerges, whereby holders are obliged to pay for protection they do not receive and Offices collect fee income for goods and services they are not protecting in the respective designated Contracting Parties.

43. Admittedly, a holder may request a limitation of the list of goods and services prior to renewal, but this is far from being a satisfactory solution, as it further complicates the management of the international mark portfolio, thus contradicting the basic tenet that the Madrid system should be a user-friendly system, not embodying unnecessary complexity.

Current Practice of the International Bureau

44. The current practice is to renew the international registration as it is recorded. This means that where a holder of an international registration having received a statement of grant of protection following a provisional refusal and where the protection is only partial (Rule 18*ter*(2)(ii)), if no request for a recording of limitation complying with the prescribed requirements and corresponding to the partial protection granted is submitted to the International Bureau prior to the date of renewal, the holder will need to renew the international registration as it is. The same is applicable where further decision limiting the scope of protection has been issued, in accordance with Rule 18*ter*(4). It is not possible today to renew only for the goods or services which are protected. The only “partial” renewal possible is where the holder has received invalidation for some only of the goods or services in the international registration.

Proposed Amendments to Rule 30 “Details Concerning Renewal”

45. In Rule 30(2)(a) and (b), it is proposed that the term “refusal” be replaced by references to the appropriate paragraphs of Rule 18*ter*, to clarify that it does not cover provisional refusals under Rule 17, but any decision under Rule 18*ter* limiting the scope of protection.

46. An amendment to Rule 30(2) is proposed to include the possibility of renewing international registrations only in respect of the goods or services effectively protected as a consequence of the recording of a statement of grant of protection sent under Rule 18ter(2)(ii) or a further statement sent in accordance with Rule 18ter(4). The proposed amendment (proposed new subparagraph (e) of Rule 30(2)) stipulates that where, following the recording of a statement under Rule 18ter(2)(ii) or (4), the international registration shall not be renewed for the unprotected goods and services, unless so requested by the holder. The wording is thus more user-friendly, as it introduces the principle of renewal only for protected goods and services.

47. An international registration, where statements under Rule 18ter(2)(ii) or (4) have been recorded, will then only be renewed for all the goods and services upon express statement by the holder and the payment of the applicable fees. This would preserve the interest of holders who wish to maintain the international registration while administrative or judicial proceedings are still underway in the designated Contracting Party concerned.

PROPOSED AMENDMENT TO RULE 31 "RECORDING OF THE RENEWAL; NOTIFICATION AND CERTIFICATE"

48. Where there is a non-renewal of an international registration, Rule 31(4) specifies that the International Bureau will notify accordingly the Offices of all the Contracting Parties designated in that international registration. However, there is no obligation to notify the holder. As the provision is formulated, the holder will be sent a certificate just when the international registration is renewed.

49. To avoid any uncertainty on the side of the holder, it is proposed to add to Rule 31(4) an obligation for the International Bureau to also notify the holder of any non-renewal of an international registration.

50. *The Working Group is invited to:*

(i) consider the proposals made in this document; and

(ii) indicate any further course of action, including whether it would recommend to the Madrid Union Assembly some or all of the proposed amendments to the Common Regulations, as presented in the Annexes to this document or in amended form.

[Annexes follow]

**PROPOSED AMENDMENTS TO THE COMMON REGULATIONS UNDER THE MADRID
AGREEMENT CONCERNING THE INTERNATIONAL REGISTRATION OF MARKS AND THE
PROTOCOL RELATING TO THAT AGREEMENT**

**Chapter 1
General Provisions**

[...]

Rule 5bis
Continued Processing

(1) [Request] Where an applicant or holder has failed to comply with a time limit for an action in a procedure before the International Bureau as set out in paragraph (2), the International Bureau shall continue the processing with respect to the international application or registration concerned, if:

(a) a request to that effect, signed by the applicant or holder, is made to the International Bureau on the official form;

(b) the request is received, the fee specified in the Schedule of Fees is paid and, together with the request, all of the requirements in respect of which the time limit for the said action applied are complied with, within the time limit of two months from the date of expiry of the time limit concerned.

(c) A request not complying with subparagraphs (a) and (b) shall not be considered as such.

(2) [Continued Processing in Specific Situations] Such continued processing may be requested only in relation to time limits specified in Rules 11(2) and (3), 20bis(2), 24(5)(b), 26(2) and 39(1)(i).

(3) [Recording and Notification] The International Bureau shall record any granted continued processing and notify the holder accordingly.

Chapter 6 Renewals

[...]

Rule 30 Details Concerning Renewal

[...]

(2) *[Further Details]* (a) Where the holder does not wish to renew the international registration in respect of a designated Contracting Party for which no ~~refusal~~[statement under Rule 18ter\(3\) or \(4\)](#) is recorded in the International Register in respect of all the goods and services concerned, payment of the required fees shall be accompanied by a statement that the renewal of the international registration is not to be recorded in the International Register in respect of that Contracting Party.

(b) Where the holder wishes to renew the international registration in respect of a designated Contracting Party notwithstanding the fact that a [statement under Rule 18ter\(3\) or \(4\)](#)~~refusal~~ is recorded in the International Register for that Contracting Party in respect of all the goods and services concerned, payment of the required fees, including the complementary fee or individual fee, as the case may be, for that Contracting Party, shall be accompanied by a statement that the renewal of the international registration is to be recorded in the International Register in respect of that Contracting Party.

(c) The international registration may not be renewed in respect of any designated Contracting Party in respect of which an invalidation has been recorded for all goods and services under Rule 19(2) or in respect of which a renunciation has been recorded under Rule 27(1)(a). The international registration may not be renewed in respect of any designated Contracting Party for those goods and services in respect of which an invalidation of the effects of the international registration in that Contracting Party has been recorded under Rule 19(2) or in respect of which a limitation [or a partial cancellation](#) has been recorded under Rule 27(1)(a).

(d) The fact that the international registration is not renewed in respect of all of the designated Contracting Parties shall not be considered to constitute a change for the purposes of Article 7(2) of the Agreement or Article 7(2) of the Protocol.

(e) The international registration may not be renewed in respect of any designated Contracting Party for those goods and services in respect of which protection has been refused in that Contracting Party, following the recording of a statement under Rule 18ter(2)(ii) or (4), unless the holder so wishes. Where the holder wishes to renew the international registration for all the goods and services concerned in respect of a designated Contracting Party notwithstanding the fact that a recording of a statement under Rule 18ter(2)(ii) or (4) has been made, payment of the required fees shall be accompanied by a statement that the renewal is to be recorded for all the goods and services concerned. The fact that the international registration is not renewed in respect of all the goods and services concerned shall not be considered to constitute a change for the purposes of Article 7(2) of the Protocol.

[...]

Rule 31
Recording of the Renewal; Notification and Certificate

[...]

(4) *[Notification in Case of Non-Renewal]* (a) Where an international registration is not renewed, the International Bureau shall notify accordingly [the holder and](#) the Offices of all of the Contracting Parties designated in that international registration.

(b) Where an international registration is not renewed in respect of a designated Contracting Party, the International Bureau shall notify [the holder and](#) the Office of that Contracting Party accordingly.

[Annex II follows]

PROPOSED AMENDMENTS TO THE SCHEDULE OF FEES

SCHEDULE OF FEES

Swiss francs

[...]

7. *Miscellaneous recordings*

[...]

| [7.6 Request for continued processing under Rule 5bis\(1\)](#)

[300](#)

[End of Annex II and of document]