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

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PROPOSALS FOR THE ESTABLISHMENT OF MODEL PROVISIONS CONCERNING
THE ISSUE OF TRANSFORMATION

Document prepared by the International Bureau

I. INTRODUCTION

1. At the first session 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”) held in Geneva in July 2005, it was suggested that the drawing up of model provisions regarding transformation could introduce a significant improvement in the functioning of the Madrid system, in terms of certainty and harmonization (see document MM/LD/WG/1/3, paragraph 141). At the conclusion of the discussion it was noted by the Chair that the issue of model provisions concerning transformation required further discussion (see document MM/LD/WG/1/3, paragraph 149).

2. At its 36th session (September-October 2005), the Assembly of the Madrid Union took note of the conclusions and recommendations of the Working Group and requested the Director General to convene a further session of the Working Group to, *inter alia*, consider the preparation of model provisions concerning transformation (see document MM/A/36/1, paragraphs 16 and 18 and document MM/A/36/3, paragraph 15).

3. In order to facilitate the discussions at the second session of the Working Group, the International Bureau has prepared for consideration draft model provisions in relation to the filing and processing of applications resulting from transformation. The draft model provisions are contained in the Annex to this document.

4. It is noted in this connection that early in 2005, the International Bureau undertook a survey, in the form of a questionnaire, submitted to the Offices of all Contracting Parties, with the aim of compiling a range of country/region-specific data regarding various operations and procedures¹, including transformation. The comments and draft model provisions that follow are largely drawn from the responses to that questionnaire.

II. TRANSFORMATION: RATIONALE AND GENERAL PRINCIPLES

5. Article 6(3) of the Madrid Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (hereinafter referred to as “the Protocol”) provides, in substance, that the protection resulting from the international registration may no longer be invoked if, and to the extent that the basic application or the registration resulting therefrom, or the basic registration (“the basic mark”), has ceased to have effect within five years from the date of the international registration (the “dependency” period) or as a result of an action commenced within that period.

6. In the event of such a “ceasing of effect”, the Office of origin is, pursuant to Article 6(4), required to request the International Bureau to cancel, to the extent applicable, the international registration². The International Bureau then duly records that cancellation in the International Register and notifies accordingly the holder and the Offices of the designated Contracting Parties.

7. This feature of the Madrid system by which an international registration may be defeated for all designated Contracting Parties by means of a single action against the basic mark is known informally as “central attack”. Where an international registration is based on an application, as allowed under the Protocol, there is an increased risk of losing the international registration as a result of the basic application ceasing to have effect. This need not be the result of a “central attack”, in the sense of an action brought by a third party, but may also result from the basic application simply being rejected by the Office of origin.

¹ The questionnaire was sent to the (then) 77 members of the Madrid Union, and to date, the International Bureau has received 57 responses.

² The number of ceasings of effect recorded by the International Bureau for the years 2003, 2004 and 2005 were 686, 690 and 851, respectively.

8. Article 9*quinquies* of the Protocol introduced the concept of transformation so as to soften the consequences of the dependency feature of the Madrid system. Under this provision, where an international registration is cancelled as consequence of a ceasing of effect of the basic mark and the holder of that international registration files a national or regional application for the same mark with the Office of any of the Contracting Parties in which the international registration had effect, any such application will be treated by the Office in question as if it had been filed on the date of the international registration (or, where a Contracting Party had been designated subsequently, the date of the subsequent designation). In addition, where the international registration included a priority claim, the national or regional application will benefit also from that claim.

9. Transformation may take place with respect to any of the Contracting Parties whose designation is governed by the Protocol and in the territories of which the international registration had effect. However, its benefits may be claimed only where the international registration is cancelled at the request of the Office of origin. Transformation is not available where the international registration is cancelled at the request of the holder.

10. In order to benefit from the transformation procedure, three conditions apply:

(i) the national or regional application must be filed within three months of the date of cancellation of the international registration³,

(ii) the goods and services listed in the national or regional application must be covered by the list of goods and services in the cancelled international registration in respect of the Contracting Party concerned, and

(iii) the application must comply with all the requirements of the applicable national or regional law, including, where relevant, requirements concerning fees.

11. Apart from the matters just mentioned, an application resulting from transformation is, to all intents and purposes, the same as an ordinary national or regional trademark application. The national or regional filings resulting from transformation are not regulated by the Protocol or by the Common Regulations and consequently, the International Bureau is not involved in any way within relevant procedures. Each Contracting Party is therefore free to determine the modalities to give effect to a request for transformation.

³ The date of cancellation of an international registration is considered to be the date of actual recording of the cancellation in the International Register, and not the date of receipt of the request for cancellation by the International Bureau. In practice, notifications of cancellation are issued to holders on the first working day following recording.

III. PROCEDURE AT THE NATIONAL OR REGIONAL LEVEL

12. With respect to the implementation of Article *9quinquies* of the Protocol, the issues which Contracting Parties may need to consider are the following:

(a) whether an application resulting from transformation is to be examined at the national/regional level, and if so, to what extent;

(b) whether additional or specific procedures are to be put in place to handle applications resulting from transformation, and

(c) whether fees should be required in connection with an application resulting from transformation.

13. The responses to the questionnaire received by the International Bureau reveal that different approaches and procedures are followed by the Offices of Contracting Parties.

Examination of an Application Resulting from Transformation

14. As noted already in paragraph 10, Article *9quinquies* lays down three conditions for transformation procedures, namely, a time limit of three months, correspondence between the goods and services concerned, and compliance with the applicable law, including requirements concerning fees. It can be expected, therefore, that Offices may wish to conduct, as a minimum, a formal examination in order to confirm compliance with those requirements.

15. In addition to examination on formal grounds, national or regional legislation could also provide for the Office to conduct a substantive examination, that is, on absolute grounds, or absolute and relative grounds, and to provide for the possibility of third party opposition.

16. Of the responses received to the questionnaire circulated by the International Bureau, approximately half of the Offices surveyed indicated that they confine examination to formalities only.

17. The remaining respondents, who indicated that requests for transformation were subjected to substantive examination, provided a range of responses that included the following information:

- requests for transformation are treated in all respects as regular national filings,
- the issue of substantive examination depends on whether or not the refusal period has expired, or whether or not the mark is already protected in the territory of the Contracting Party in question,
- substantive examination depends on whether or not the international registration has been published at the national/regional level, and

– if at the time of the request the international registration is undergoing examination by the Office, the transformed application will take the place of the Madrid designation in that procedure.

Additional Procedures

18. The issue of additional or specific procedures relating to a request for transformation will depend on the nature and extent of the examination conducted by the Office. However, from the responses obtained from Offices which responded to the questionnaire, it is noted that the following elements could be required:

- filing of an official form, or sending of a letter of request,
- indication of details relating to the cancellation of the international registration,
- furnishing of a copy of the international registration, and
- furnishing of a translation of the goods and services into a language accepted by the Office.

Fees

19. As the questionnaire did not raise specifically the issue of fees payable in connection with an application resulting from transformation, the vast majority of the Offices surveyed did not give any indication in that respect. A few nevertheless indicated that a fee was payable and others that no fee was payable, but it is generally unclear whether these replies referred to the standard application fee or to a specific transformation fee.

IV. NOTES ON THE DRAFT MODEL PROVISIONS

Notes on Model Provision 1

20. Paragraph (1): By way of introduction to the model provisions on transformation, paragraph (1) of model Provision 1 takes up the substance of Article 9*quinquies* of the Protocol and does not require comment.

21. Paragraph (2): This provision establishes the principle that an application resulting from transformation is, to all intents and purposes, the same as a standard national (or regional) trademark application. This general principle is subject to the special provisions contained Model Provisions 2 and 3.

Notes on Model Provision 2

22. Paragraph (1): While an application resulting from transformation is essentially the same as a standard national or regional application, this paragraph provides for the furnishing of additional information to enable Offices to confirm compliance with the conditions for transformation under Article 9*quinquies*. This provision would require that an application resulting from transformation contain a statement that it is made by way of transformation. It further provides for the furnishing of the relevant information concerning the cancelled international registration, i.e., its number and date, or date of territorial extension, as appropriate, the date of cancellation of the international registration, and where there has been a priority claim also recorded in the international registration, details of such priority claim.

23. It should be noted that this provision presupposes that applications resulting from transformation will be filed using the same official form as prescribed for the filing of ordinary applications. Given the low number of ceasings of effect recorded by the International Bureau⁴ and, consequently, the low number of applications resulting from transformation, many Offices may not consider it necessary to establish a special form for transformation, although such form could be envisaged. Alternatively, the provision of a specific transformation item in the official trademark application form could be envisaged for inclusion of the relevant particulars. This would reduce the risk of error or omission and facilitate formal examination by the Office.

24. Paragraph (2): This provision presents alternatives in respect to the question of fees in the context of transformation procedures. In this respect, it seems appropriate to distinguish between “application” fees and “transformation” fees.

25. To the extent that an Office may regard an application resulting from transformation as a standard application for registration of a mark, it could be argued that standard “application” fees should be charged in the usual manner. However, account should also be taken of the fact that the holder of a cancelled international registration has already paid fees in respect of the designation of the Contracting Party in which the transformation is requested. This is particularly relevant where the Contracting Party in question has received an individual fee under Article 8(7)(a) of the Protocol. Taking this into consideration, Contracting Parties could decide as a matter of fairness that this type of application should not be subject to an application fee as such, or that only a reduced or token application fee should be charged.

26. On the other hand, the processing of an application resulting from transformation and the formal examination of such application may generally be perceived as causing additional work for the (national or regional) Office that would warrant some sort of compensation.

⁴ See footnote 2.

Notes on Model Provision 3

27. Paragraph (1): This provision follows what appears to be the position adopted by the Offices of a large number of Contracting Parties, namely, that when an international mark has already become protected in the territory of the Contracting Party concerned, then an application resulting from transformation should automatically lead to the registration of the mark in question (assuming compliance with the conditions mentioned under Model Provision 2).

28. Paragraph (2): This provision deals with the situation where an international mark has not yet become protected in the territory of the Contracting Party concerned on the date of cancellation of the international registration. It is intended to reflect what appears to be the pragmatic approach adopted by many Offices, namely, that where certain steps have already been taken with regard to the substantive examination of an international mark, the benefit of those steps should be transferred to the application resulting from transformation and the remaining procedure should continue thereafter as for a standard application. This approach avoids unnecessary duplication of work and expenses, both for users and the Office.

29. The Working Group is invited to comment on the above, to consider the draft model provisions concerning applications resulting from transformation, and to formulate any recommendation for submission to the Assembly of the Madrid Union.

[Annex follows]

ANNEX

DRAFT MODEL PROVISIONS ON TRANSFORMATION OF AN INTERNATIONAL
REGISTRATION INTO A NATIONAL (OR REGIONAL) APPLICATION

Provision 1

(1) Where an international registration designating [Contracting Party] is cancelled at the request of the Office of origin in accordance with Article 6(4) of the Madrid Protocol, in respect of all or some of the goods and services listed in the international registration, an application may be made to the Registrar¹, within three months from the date on which the international registration was cancelled, by the person who was the holder of the international registration at the date of its cancellation, for registration of the same trademark (an ‘application resulting from transformation’), in respect of goods and services covered by the list of goods and services contained in the international registration.

(2) Subject to Provisions 2 and 3, the provisions applicable to a trademark application filed directly with the Registrar shall apply *mutatis mutandis* to an application resulting from transformation.

Provision 2

(1) An application resulting from transformation shall be made on Form [...] and shall, in addition, include the following:

- (a) a statement that the application is made by way of transformation,
- (b) the international registration number of the international registration which has been cancelled,
- (c) the date of the said international registration, or the date of recording of the territorial extension made subsequently to the international registration, as appropriate,
- (d) the date on which the cancellation of the international registration was recorded,
- (e) where applicable, the date of any priority claimed in the international application and recorded in the International Register.

(2) An application resulting from transformation [shall be subject to the payment of the prescribed [transformation] fee[s]] [shall not be subject to the payment of [a] [the standard application] fee].

¹ The expression “Registrar” is used in this Annex as a reference to the competent national (or regional) trademark authority.

Provision 3

(1) Where an international mark has become protected in [Contracting Party] on or before the date on which the international registration was cancelled and provided that all the requirements relating to an application resulting from transformation have been met, that trademark shall be registered by the Registrar. The date of registration shall be the date of the cancelled international registration, or the date of recording of the territorial extension to [Contracting Party] made subsequently to the international registration, as appropriate, and that registration shall enjoy any priority enjoyed by the cancelled international registration.

(2) Where an international mark has not become protected in [Contracting Party] on or before the date on which the international registration was cancelled, any procedures or measures already undertaken on or before the date on which an application resulting from transformation is filed for the purpose of the international registration shall be considered as having been undertaken for the purposes of the application resulting from transformation. The filing date of the application resulting from transformation shall be the date of the international registration or the date of recording of the territorial extension to [Contracting Party] made subsequently to the international registration, as appropriate.

[End of Annex and of document]