E

WIPO

MM/LD/WG/4/2
ORIGINAL: English
DATE: April 18, 2007

WORLD INTELLECTUAL PROPERTY ORGANIZATION
GENEVA

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

Fourth Session
Geneva, May 30 to June 1, 2007

AMENDMENT OF ARTICLE 9*SEXIES* OF THE MADRID PROTOCOL

Document prepared by the International Bureau

I. BACKGROUND

1. It is recalled that an *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") was convened by the Director General, in Geneva, from July 4 to 8, 2005, with a view, notably, to facilitating the review of the safeguard clause envisaged by Article 9*sexies*(2) of the Protocol Relating to the Madrid Agreement (hereinafter referred to as "the Protocol[1])[2].

---

[1] Similarly, the Madrid Agreement Concerning the International Registration of Marks will be hereinafter referred to as "the Agreement".

[2] By virtue of the safeguard clause (Article 9*sexies*(1) of the Protocol), where, with regard to a given international application or international registration, the country of origin is party to both the Protocol and the Agreement, the provisions of the Protocol shall have no effect in the territory of any other State that is also party to both the Protocol and the Agreement.

2. Under paragraph (2) of Article 9*sexies*, the Assembly may, by a three-fourths majority[3], either repeal or restrict the scope of the safeguard clause, after the expiry of a period of 10 years from the entry into force of the Protocol (December 1, 1995), but not before the expiry of a period of five years from the date on which the majority of States party to the Madrid (Stockholm) Agreement have become party to the Protocol. To the extent that this latter condition has also been fulfilled[4], repeal or restriction of the scope of the safeguard clause became possible on the tenth anniversary of the coming into force of the Protocol, namely on December 1, 2005.

3. At its first session, in July 2005, the Working Group undertook a first analysis of the implications of a repeal of the safeguard clause with respect to six main features of the Madrid system procedure. However, the Working Group was unable to reach consensus as to whether the safeguard clause should be repealed or restricted.

4. At its thirty-sixth session (September–October 2005), the Assembly of the Madrid Union decided that the Director General should convene a further meeting of the Working Group in order to continue the preparatory work for the review of Article 9*sexies*(1) of the Protocol. Such work was to aim, in particular, at enabling the Assembly to decide whether the safeguard clause should be repealed, or its scope restricted (see documents MM/A/36/3, paragraph 15 and MM/A/36/1, paragraph 18).

5. On the occasion of its second session, held in Geneva from June 12 to 16, 2006, the Working Group considered five options in the context of the review of the safeguard clause[5]. Despite the divergence of views expressed, there emerged a consensus on the objectives to be achieved by the review of the safeguard clause, namely, to:

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

– ensure equal treatment among all Contracting Parties to the Madrid Protocol;

---

[3] Article 9*sexies*(2) further provides that in the vote of the Assembly, only those States which are party to *both* the Agreement and the Protocol shall have the right to participate. This is accounted for by the fact that, by definition, the safeguard clause only comes into play in the mutual relationships between States bound by both treaties.

[4] This condition has been fulfilled since April 1, 2003, following the (simultaneous) accession to the Protocol of Belgium, Luxembourg and the Netherlands, with effect from April 1, 1998. At that time, out of 39 countries party to the Madrid Agreement, 21 had become party to the Protocol.

[5] Those options were the following:

Option 1: Maintaining the safeguard clause.
Option 2: Repeal of the safeguard clause.
Option 3: Repeal of the safeguard clause accompanied by certain measures aimed at limiting undesired effects that might result from such repeal.
Option 4: Restriction of the scope of the safeguard clause to cover only certain features of the international procedure (in particular, the refusal period and the fee system).
Option 5: Restriction of the safeguard clause to cover only existing international registrations or designations (“freezing”).

For the full report of that session, see document MM/LD/WG/2/11. It is also recalled that an analysis of the implications and operational consequences associated with each of those options was provided in document MM/LD/WG/2/3, entitled “Review of Article 9*sexies* of the Protocol”.

– 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 Working Group thus concluded that it should continue its preparatory work for a review of the safeguard clause with the aim of achieving the aforementioned objectives. To this end, it also concluded that it should give priority to exploring a proposal for a possible repeal of the safeguard clause, accompanied by certain measures relating to the level of services provided by Offices of designated Contracting Parties and to the fixing of the amounts of the individual fees.

7. At its thirty-seventh session (September–October 2006), the Assembly of the Madrid Union took note of the conclusions and recommendations of the Working Group and, in particular, endorsed its conclusions as to the objectives of the review. It thus requested the Director General to convene a further session of the Working Group in order to, *inter alia*, continue the preparatory work for a review of the safeguard clause to be undertaken by the Assembly (see document MM/A/37/4, paragraph 13(c)(i)).

8. The Working Group held its third session in Geneva from January 29 to February 2, 2007. In its initial discussions, the Working Group took the view that the types of measures described in paragraph 6, above, ought to be the subject of separate discussions on the legal development of the Madrid system and should, therefore, be dissociated from the review of the safeguard clause. The Working Group thus focused the remainder of its discussions on other options for the review of the safeguard clause, following which it adopted a document containing its conclusion, reading as follows[6]:

"The Proposal

After having explored several options, the Working Group came to the conclusion that the following proposal could be the best possible compromise:

1. The safeguard clause should be amended to the effect of clearly establishing that, in the relationship between countries bound by both the Protocol and the Agreement, the provisions of the Protocol alone shall apply.

2. The amendment should also specify that, notwithstanding the above, a declaration on individual fees by a State party to both the Protocol and the Agreement shall not be applicable to the renewal of an international registration in respect of that State if the territorial extension to that State was effective from a date prior to the amendment and the Contracting Party of the holder in respect of such international registration is party to both treaties.

3. The Assembly would be entitled to repeal the provision indicated under 2, above, only after the expiry of a period of 10 years as from the date of entry into force of the amendment, and by a special three fourths majority (only States bound by both treaties having the right to vote).

---

6 For the full report of that session, see document MM/LD/WG/3/5.

The Proposal in the Light of the Agreed Objectives

This would meet the objectives approved by the Assembly as follows:

1. It would entail a simplification of the Madrid system, keeping in mind the ultimate goal that the system be governed by only one treaty (the Protocol).

2. It would ensure equal treatment to nationals of all parties to the Protocol for any new designations.

3. It would allow users to benefit from the advantages offered by the Protocol while limiting undesired effects.

(…)"

9. The document referred to above also contained certain principles concerning the conversion of existing designations governed by the Agreement into designations governed by the Protocol, and identified certain approaches in terms of transitional provisions. Finally, according to this document, the Working Group requested the International Bureau to prepare draft amendments to Article 9*sexies* and the Common Regulations under the Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to that Agreement (hereinafter referred to as the "Common Regulations") following the principles contained therein.

10. Further to that conclusion, the Working Group requested the International Bureau to organize a fourth session of the Working Group to consider, *inter alia*, these draft amendments. The Working Group also recalled that at its second session it had already approved draft amendments to the Common Regulations for the implementation of a full trilingual regime, for submission to the Assembly on the occasion of the review of the safeguard clause[7].

11. The present document contains, in Annex I, a draft amendment of Article 9*sexies* of the Protocol along the lines of the compromise proposal contained in paragraph 8, above. Notes to the draft amendment are provided in Chapter II of this document. The implementing amendments to the Common Regulations, necessary to address, in particular, the conversion principles and the transitional provisions referred to in paragraph 9, above, are contained in document MM/LD/WG/4/3.

12. The conclusions of the Working Group will be reported to the Assembly of the Madrid Union in September 2007. If agreed by the Working Group, the International Bureau will prepare a draft amendment of the Protocol for adoption by the Assembly. As indicated above, this amendment will be accompanied by draft amendments to the Common Regulations that this Working Group may wish to recommend, as part of its consideration of document MM/LD/WG/4/3, together with the set of amendments relating to the implementation of a full trilingual regime that the Working Group has already approved.

---

[7] See paragraph 123 of the report of that session (document MM/LD/WG/2/11). The proposal to amend the Common Regulations so as to establish a full trilingual regime was set forth in document MM/LD/WG/2/4. It is also reproduced in document MM/LD/WG/4/3 submitted for the consideration of the Working Group on the occasion of this fourth session.

II. COMMENTS ON THE DRAFT AMENDMENT OF ARTICLE 9*SEXIES*

Paragraph (1)(a)

13. This provision would replace existing paragraph (1) of Article 9*sexies*. As proposed, it establishes the principle that the Protocol, and the Protocol alone, will, in all aspects, apply between Contracting Parties bound by both the Agreement and the Protocol. It thus implements a repeal of what is commonly called the "safeguard clause". The wording proposed is in line with that of Article 16(1) of the Agreement, dealing with the application of the earlier Acts thereof, as well as that used in similar provisions of other WIPO treaties[8]. Paragraph (1)(b).

14. Proposed new paragraph (1)(b) is intended to implement item 2 of the "Proposal" adopted by the Working Group on the occasion of its third session (see paragraph 8, above). This provision would render inoperative a declaration under Article 8(7) in the relations between Contracting Parties bound by both treaties at the time of renewal of an international registration, insofar as designations that existed on the date of the coming into force of the amendment are concerned. As a result, and subject to a consequential amendment of the Schedule of Fees, only the complementary fee would be payable for the renewal of the international registration in respect of such designations. As this latter fee is also a standard feature of the Protocol, it can thus be said that new subparagraph (b) of paragraph (1) would not derogate from the general principle established under new subparagraph (a) of paragraph (1), that the Protocol alone applies between Contracting Parties bound by both treaties.

15. This compromise solution applies to existing designations, with a view to limiting the undesirable effects of a repeal of the safeguard clause. Bearing in mind the objective of equality of treatment between all Contracting Parties to the Protocol, i.e., regardless of whether they are also bound by the Agreement, the amendment does not extend the inoperability of a declaration under Article 8(7) to future designations.

16. The expression "date of the territorial extension" used in item (i) of paragraph (1)(b) refers to the date relevant for the international registration to produce its effects, i.e., the date of the international registration itself or, where the designation was made subsequently to the international registration, the date of the recordal of the subsequent designation. However, as indicated in paragraph 15 above, new paragraph 1(b) would apply at the time of renewal of an international registration. Thus, if the designated State or the Contracting Party of the holder is no longer bound by both treaties on the date on which the renewal of the international registration falls due, new paragraph 1(b) could not apply[9] and, consequently, a declaration under Article 8(7) would not be rendered inoperative.

---

[8] See in particular Article 31(1) of the 1999 Act of the Hague Agreement Concerning the International Registration of Industrial Designs and Article 27(1) of the Singapore Treaty on the Law of Trademarks.

[9] Article 9*sexies* itself, as proposed to be amended, being concerned only with the relations between States bound by both the Agreement and the Protocol.

Paragraph (2)

17. The proposed amendment to this paragraph would implement item 3 of the "Proposal" adopted by the Working Group on the occasion of its third session (see paragraph 8, above). If amended as proposed, paragraph (2) would provide for a possible repeal of new paragraph (1)(b), but only after a period of 10 years from its entry into force. It is to be noted that during that 10-year period, all designations that existed on the date of entry into force of the amendment would have become due for renewal and thus could have benefited from the compromise solution at the time of their renewal.

III TIMING OF THE ENTRY INTO FORCE OF ARTICLE 9*SEXIES* AS PROPOSED TO BE AMENDED

18. As indicated in paragraph 12, above, if the Working Group were, on the occasion of this fourth session, to agree to a recommendation to amend Article 9*sexies* of the Protocol, the International Bureau would then prepare a proposal to amend that Article for adoption by the Assembly at its September-October 2007 session in accordance with such recommendation. To this end, the International Bureau would also need guidance from the Working Group as to the timing of the entry into force of Article 9*sexies*, as amended, so that a specific date of entry into force could be included as part of this proposal[10].

*19. The Working Group is invited to indicate whether it would recommend that a proposal to amend Article 9*sexies *of the Protocol, as provided in the draft annexed hereto, be submitted to the Assembly of the Madrid Union for adoption and, in such case, to indicate also the date it would recommend for the entry into force of Article 9*sexies *as so amended.*

[Annex follows]

[10] The date of October 3, 2007, appearing between square brackets on Annex I to the present document refers not to the date of entry into force of Article 9*sexies* as proposed to be amended but to the date of the possible adoption by the Assembly of the proposed amendment.

ANNEX

**Protocol Relating to
the Madrid Agreement Concerning
the International Registration
of Marks**

adopted at Madrid on June 27, 1989,
amended on October 3, 2006
[and on October 3, 2007]

[…]

Article 9*sexies*

~~Safeguard of~~ Relations Between States Party to both this Protocol and the Madrid (Stockholm) Agreement

(1) (a) ~~Where, with regard to a given international application or a given international registration, the Office of origin is the Office of a State that is party to both this Protocol and the Madrid (Stockholm) Agreement, the provisions of this Protocol shall have no effect in the territory of any other State that is also party~~ This Protocol alone shall be applicable as regards the mutual relations of Contracting Parties to both this Protocol and the Madrid (Stockholm) Agreement.

(b) Notwithstanding subparagraph (a), a declaration made under Article 8(7) of this Protocol by a State party to both this Protocol and the Madrid (Stockholm) Agreement shall not be applicable to the renewal of an international registration in respect of that State if

(i) the date of the territorial extension to that State is prior to [date of entry into force of amendment] and

(ii) the Contracting Party of the holder, as defined in the Common Regulations, in respect of such international registration is party to both this Protocol and the ~~said~~ Madrid (Stockholm) Agreement.

(2) The Assembly may, by a three-fourths majority, repeal paragraph (1)(b)~~, or restrict the scope of paragraph (1),~~ after the expiry of a period of ten years from [date of entry into force of amendment]~~the entry into force of this Protocol, but not before the expiry of a period of five years from the date on which the majority of the countries party to the Madrid (Stockholm) Agreement have become party to this Protocol~~. In the vote of the Assembly, only those States which are party to both the Madrid (Stockholm)~~said~~ Agreement and this Protocol shall have the right to participate.

[…]

[End of Annex and of document]